

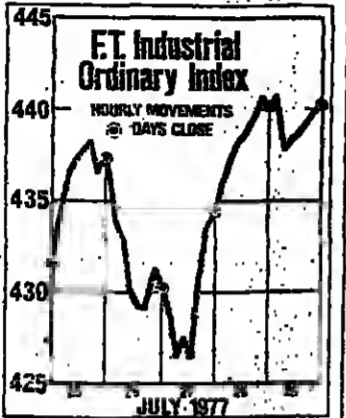
EVE... CHARTERED SURVEYORS... TRAINING CONSULTANTS... BEDFORD - BRISTOL - HITCHIN - LUTON - AMPHILL

MARKETS SUMMARY

BUSINESS

Equities and Gilts unchanged

EQUITIES were easier at the start but recovered in extremely quiet trading. The FT 30-share



index was unchanged at 440.2 for a week's rise of 8.7. GILTS were inhibited ahead of the announcement of the new short rate stack. The Government Securities Index was unchanged at 67.98 for a week's rise of 1.10, the biggest gain since the week ended April 1.

STERLING fell 10 points to \$1.7370 but was firmer against major currencies in general. Its trade-weighted index rose to 61.7 (61.5) and that of the dollar was 1.26 per cent (1.61 per cent). GOLD fell 3 1/2 to \$144. WALL STREET closed up 0.68 at 890.07.

NatWest in German deal NATWEST is buying control of Global Bank, Cologne. The bid is believed to be about £10m. Global was badly hit in October 1974 by the collapse of its sister Lord Chief Justice, company Bankhaus J.D. Herstatt.

FORD of Britain's strikes problems this year have robbed the carmaker of its export earnings. Mr. Terry Beckett, the chairman and managing director, said yesterday British Leyland and Chrysler have set up a counter-attack on Ford's market domination by announcing rises of 4.6 per cent and 5.6 per cent respectively.

PLANS to raise the capacity of Heathrow Airport by building a fourth passenger terminal costing £50m will be delayed by two years as a result of a Government decision to hold a public planning inquiry. Page 10

CRUDE OIL reached the port of Valdez along the 800-mile Alaskan pipeline for the first time yesterday. Preparations are being made to load the tanker, Arco Junesau, which will arrive today. Page 10

TECHNIQUES used by shop stewards acting unofficially to stop freight movements to the container depot at Didcot, South Oxfordshire, are outlined in a document circulating among Southampton dockers. Page 15

BEER prices are unlikely to be frozen following a study of the brewing industry. Back Page

TESCO cash sales have been 40 per cent higher in the past three weeks than in the same period last year. The company dropped trading stamps on June 9 and cut prices. Page 16

UNIDAL, the Italian State-controlled company, should be liquidated, according to its Board. Sig. Ingo Ravallio, the chairman, has resigned and dealings in Unidal shares have been suspended. Page 17

ICE CHANGES YESTERDAY

Table with columns for stock names and price changes. Includes Tricentrol, Ayer Hyam, Oakbridge, Pancontinental, Southern Kinta, Sungei Best, Thales Ridge, Barclays Bank, British Sugar, Colmore Invts, Hoover A, Inchcape, Pico, Tube Invts, Vantona, Buffels, CRA, Unisel, Winkelbaak.

Appeal judges say Grunwick verdict by ACAS invalid

BY PAULINE CLARK, LABOUR STAFF

Three Appeal Court judges, headed by Lord Denning, Master of the Rolls, ruled yesterday that an arbitration service report recommending recognition of the Association of Professional, Executive, Clerical and Computer Staff at the Grunwick film processing factory was invalid.

They based their judgment on the failure of the ACAS Advisory, Conciliation and Arbitration Service to co-operate with the arbitration service and thus stall union efforts to represent employees. ACAS announced last night that its council members—three trade union representatives, three from the Confederation of British Industry and three independent—will be meeting on Monday to consider the judgment and to decide whether to appeal against it to the House of Lords.

In the previous judgment which had dismissed a Grunwick appeal against the ACAS recommendation, Lord Widgery, Lord Chief Justice, decided after a six-day hearing that the ACAS decision should be upheld because the service had acted within its wide terms of reference in conducting what Lord Widgery believed constituted a formal ballot of employees' opinions.

The High Court had also said that ACAS had carried out its obligation to "canvass opinion" so far as reasonably practicable, especially as Mr. George Ward, the managing director, had refused to allow ACAS access to the company's employees. Yesterday's decision brought an immediate and angry reaction from trade unionists, who saw it as a serious threat to the co-

operation of amendments in the 1975 Employment Protection Act, under which ACAS was set up. Lord Denning also clashed with Lord Widgery on the interpretation of safeguards built into the Act to prevent abuse by employers or employees. He said that the statute gave great powers to trade unions to "bring immense claims" on employers not wishing to recognise them and employees not wishing to join them. "I would construe those safeguards in favour of the individual and not in favour of the trade union."

He felt that if Mr. Ward had been guilty of misconduct in co-operating with ACAS he should be punished if the statute provided that he should be. But it was not a reason for deciding against him. Lord Denning argued that the court was not in a position to judge the rights and wrongs of the matter. It was up to Lord Justice Scarman, whose court of inquiry into the Grunwick dispute ended its hearings this week.

Postmen at the Crockwood sorting office yesterday decided by a vote of 51 to 48 to return to work to-morrow evening—and to handle Grunwick mail. Judgment, Page 19

AGRA that it has built up ever the past 18 months. Nevertheless, in a summary of the corporation's report, released yesterday, it observes that while it does not "consider it our role to make a recommendation" on the reactor Britain should choose, it advises the Government not to plump for the AGR alone. "We have ascertained no advantages in the AGR system which are so certain that they would justify the rejection of the opportunities for export, which the PWR has and the AGR has not."

The assessment concludes that on the basis of a nominal 5,000 MW programme over six years, the PWR would work out about 15 per cent cheaper to construct and would produce electricity 10-15 per cent more cheaply than the AGR. The third reactor assessed—the steam-generating heavy water reactor (SGHWR)—worked out appreciably more expensive than either, 25 per cent more costly to build and 20 per cent higher in generation cost than the PWR. The study concludes unequivocally that "there is no case for the adoption of the SGHWR. Compelling as the economic

rise appears to be for the Government to adopt the PWR reactor, the corporation acknowledges tactical and short-term disadvantages. Because of the delay inevitable upon introducing a new system, and the remaining uncertainties about detailed safety design, it would probably not be possible to start building the first PWR before 1980. But the corporation believes that the industry would be ready to start a new AGR by February 1978.

Asked whether he thought the report provided the Government with the basis for a clear-cut decision, Lord Aldington said: "Any decision that takes this report into account will be a better decision than one that doesn't." His discussions with the chairman of "nuclear component makers had convinced him that the industry could cope with the two reactors in parallel. AGR component makers were willing to reopen facilities even if only one further AGR station was in prospect. He believed that an early start to a new nuclear station would have an important advantage in persuading contractors to complete the three AGR stations under construction.

Financing mechanism 'sound' BY NICHOLAS COLCHESTER THE London Stock Exchange is considering whether it should increase the accessibility of the equity markets to small companies, either by changing the existing listing requirements or by introducing a different system of trading for small company securities. That is part of the evidence submitted by the Stock Exchange to the committee under Sir Barnet Wilson studying Britain's financial institutions. Both the Stock Exchange and the Accepting Houses Committee, representing the merchant banks, published their evidence yesterday. Both assert that British demand for industrial finance is slack while the mechanism for supplying it is sound. The accepting houses say that the decline of the private investor and the consequent growing institutionalisation of the stock market is a cause of concern as to the future efficiency of the market and that it carries with it the risk of a weaker market in which small companies would be less able to raise funds than large companies. The merchant banks explain that to be truly eligible for market listing a private company must to-day make annual pre-tax profits exceeding £500,000, and that the problem of financing the smallest company is becoming increasingly difficult. The Stock Exchange submits a table showing that in 1975 some 53 per cent of U.K. quoted equities were in the hands of

Bank issues £800m. tap stock

BY MICHAEL BLANDEN

The Bank of England yesterday announced a new £800m. issue of Government stock to finance the official borrowing requirement and to help keep the money supply under control.

The move had been widely expected in the market following the improvement in gilt-edged prices this week. This had been helped by the rise in the value of sterling after the Bank, in a major change of tactics, on Wednesday, stopped pegging the pound against the dollar at around \$1.72.

Yesterday, sterling showed a further gain compared with most other leading currencies. The official index of its value against 20 other currencies, now being used as the best general indicator, rose to 61.7. This compared with 61.5 on the previous day and with a low point of 58.6 on Tuesday before the official change of policy. At the same time, however, the dollar recovered significantly after the sharp falls of the past month.

The new stock issue is £800m. of 9 1/2 per cent Exchequer stock 1981. At an issue price of £7.50 per cent it offers a redemption yield of 10.27 per cent, and a flat return of 9.74 per cent. The most important point about the issue is that it is payable in full on application next Thursday.

Recent issues have been either on a partly-paid basis, designed to spread the inflow of funds over several months, or in the form of the two variable rate bonds which have recently been added to the armoury of financial instruments available to the Government.

The Bank has not had a short-dated fixed-rate stock available on tap since the partly-paid Exchequer 9 1/2 per cent ran out in mid-May. The new issue is designed to enable the Bank to renew substantial sales. It will provide an additional vehicle alongside the existing long tap stock, on which a large £52m. final call is due to be paid the week after next.

Issue news, Page 16 Lex, Back Page

Table with columns for Spot, 1 month, 3 months, 12 months and values for various currencies like £1, £2, £3, £4, £5, £6, £7, £8, £9, £10.

Carter and Fed 'agree over dollar'

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, July 29.

THE CHAIRMAN of the U.S. Federal Reserve Board, said yesterday there were no substantial differences of opinion between himself and members of the Carter Administration over policies concerning the U.S. dollar.

Stressing that such divergences as did exist were merely in rhetoric, Dr. Arthur Burns told a congressional committee that the Board would not intervene in the foreign exchange markets "unless it has the full support of the U.S. Treasury."

The present policy of intervening only to smooth out disorder in the markets would continue, he declared. The statement helped to give a further boost to the dollar, which continued its recovery against other leading currencies after the sharp fall of the past month.

In fairly tight trading, the U.S. currency moved up to a best level of DM2.2940 against the West German D-Mark, which has been among the strongest European currencies. It closed in London at DM2.2910, against DM2.2740 on the previous day. New York trading followed Europe's lead but profit-taking later in the day cut the rise so that the dollar closed at DM2.2855.

The upturn in the dollar follows growing conviction in the exchange markets that the currency had reached a turning point. Dr. Burns' assertions were prepared statement and in

Continued on Back Page

Indicators fall again WASHINGTON, July 29. THE U.S. index of leading economic indicators fell by an estimated 0.2 per cent last month, reinforcing the widely held view that economic activity will be nothing like as vigorous in the second half of the year as it was in the first, writes Jurek Martin.

The index also fell in May, by 0.2 per cent. The consecutive monthly declines are the first since those of August and September last year, which heralded the "pause" that afflicted the economy last autumn. Administration officials said they were unperturbed by the decline in June. Mr. Michael Blumenthal, the Treasury Secretary, said that he had no cause for great concern: "I don't think we can draw conclusions on a month-by-month basis."

Generally, it is reckoned that a minimum of three consecutive monthly declines are needed to suggest that something "is seriously amiss." The principal contributory factors to the decline in June were a higher workers lay-off rate (unemployment went up to 7.1 per cent in that month) and contraction in the money supply. However, of the 10 indicators available, four others also declined—new factory orders, capital spending orders, sensitive wholesale prices and assets that can be quickly converted into cash (that is, liquid assets). Four components increased—the average workweek, vendor performance, stock prices and building permits. On a more encouraging note, the Agriculture Department announced raw farm products had dropped by 2 per cent in the previous month it had fallen by 5 per cent.

Advertisement for Löwenbräu beer featuring a bottle and a glass. Text includes 'The in-the-pink drink', 'Smooth and mellow Löwenbräu. Brewed and bottled in Munich.', and 'The chance of a new Packer and Cricket'.

Table with columns for Features and Survey. Features include Appalachian spring, Packer and Cricket. Survey includes Investment Services.

The week in London and New York

STERLING boost for gilts

Following a small technical rally at the start of the week which took equities nearly six points higher and gilts about a point better the market seemed to be settling down to another bout of general marking down up the back of no demand and a little selling. But shortly after mid-day on Wednesday the Bank of England announced that sterling would no longer be pegged to the dollar which had been a weak currency for some time. This news gave the market the shot in the arm that it needed and both equities and gilts reversed earlier falls. Gilts finished the day about 14 better with a rise of 4.4 in equities.

Gilts, however, failed to maintain the buoyant trend with buyers generally retreating to chase prices regained and although equities sustained the rally briefly the market by the end of the week had slipped back into its old ways.

Option stakes

They are under starters orders for the Traded Options Handling Scheme. Drawn on the inside is the home-bred gelding SEPO (Standardised Exercise Price Options), by Vickers da Costa out of the London Stock Exchange. On the outside is the overseas challenger EOE (European Options Exchange) by CBOE (Chicago Board Options Exchange) and out of Amsterdam.

Latest news from the training stables is that a committee of six has been formed to watch over the progress of SEPO, all six being members of the Stock Exchange Council. The EOE stable has sent an introductory brochure on their runner to 2,000 brokers and City institutions and next week will be coming round to explain it all.

Both steeds have a lot of obstacles to clear. A particularly dangerous one for EOE is the Dollar Premium Ditch—the connotations are seeing the Bank of England on Monday and will doubtless press for this jump to be removed. Another tricky fence for both runners will be Taxation Board.

No clear favourite has yet emerged with the general public. SEPO has never run before so there is no form to go on. A lot more money has been spent preparing the Amsterdam colt but SEPO could none the less steal an early lead with initial trading scheduled for October in London against early 1978 in Amsterdam.

Bank bonanza

The clearing banks have once again confounded the pessimists and produced a batch of interim profit figures between £10m-£15m better than expected and for the group as a whole profits are 42 per cent up on the first half of 1976.

Compared with the second half of last year the improvement is no more than 7 per cent but this is still encouraging given that many brokers actually expecting profits to fall between the two halves. At home there was only a marginal increase in lending and average base rates fell by 1.6 points. However, apart from higher bank charges, the banks widened the margin between their base and 7-day deposit rates to a record 4.5 points and this seems to have cushioned their profits remarkably well. Overseas, the picture was somewhat brighter and international profits moved ahead smartly.

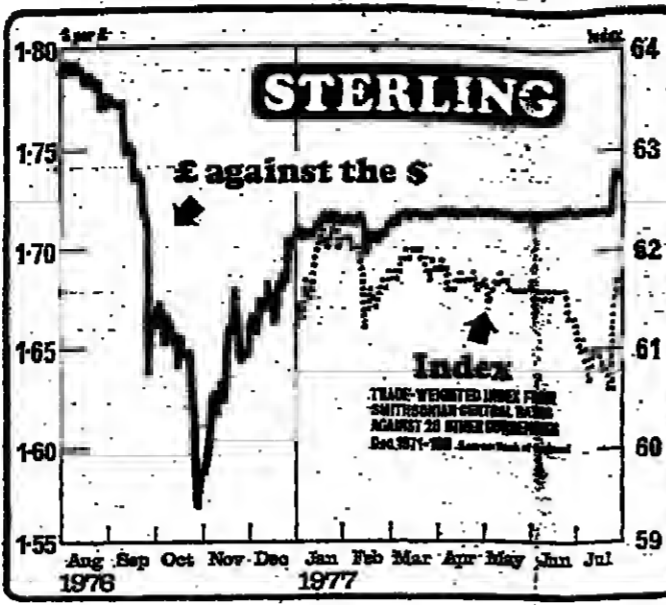
Midland Bank stood out for the second year running for its above-average performance; it moved into international banking rather late on in the game and is still catching the others up. At the same time its diversification into insurance broking (via Bland Payne) and its sharply increased associate income (principally reflecting its increased stake in Standard Chartered) are both helping to keep domestic profits moving ahead well.

Generally, the bank sector has been underperforming the market for many months now and though the outlook for the

Fison expansion

Fisons' £250m agreed bid for Gallenkamp was pitched well above market expectations and the shares responded accordingly with Gallenkamp's rising 40p to 345p. The acquisition makes good sense for Fisons from a trading point of view. The inclusion of Gallenkamp, which will increase Fisons' scientific equipment side by two and a half times, bringing it up roughly level with agrochemicals as the second largest profit contributor, should be achieved without need for rationalisation. And it will also introduce Fisons to new export markets.

At present Fisons' scientific



equipment side is mainly concerned with three bigly specialised pieces of equipment, the emerging nations—last year two-thirds of its exports went to Africa. The merger of the two interests effectively means that the Gallenkamp side will open up new trading areas, supplying them with all that is needed to set up laboratories. When these markets become more sophisticated, Fisons will move in and market its own products.

CCA guidelines

As expected, the Accounting Standards Committee unveiled its new initiative on inflation accounting, following the collapse of the ED 18 proposals prepared by Mr. Douglas Morphet's Inflation Accounting Steering Group.

The intention now is to issue guidelines for companies to publish basic CCA figures as a supplement to their conventional accounts. These will cover the cost of sales adjustment, the extra depreciation charge, and an adjustment to each of these to take account of the benefits of gearing.

The guidelines will be prepared by a new group under the chairmanship of Mr. William Hyde, Treasurer of Oxford University. It will include two other

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 30

Sector	% Change
Office Equipment	+3.0
Wines & Spirits	+2.5
Mining Finance	+2.4
Stores	+0.7
Investments/Trusts	+0.6
Insurance Brokers	+0.1

THE WORST PERFORMERS

All-Share Index	-2.7
Insurance (Life)	-5.5
Discount Houses	-5.4
Household Goods	-5.7
Packaging Paper	-6.6
Textiles	-10.0
Hire purchase	-11.2

continue work on developing a longer term solution to inflation accounting.

ASC hopes that the guidelines will be out by November and available for use by big companies in their next published accounts, with luck those for calendar 1977.

The standards committee says it will encourage big companies to publish the supplementary figures, and will be looking to the Government, the Stock Exchange and the Confederation of British Industry for support.

What this will achieve remains to be seen, but an indication of the difficulties which may arise comes from the CBI. It has already announced that companies should have the option of doing the gearing adjustment.

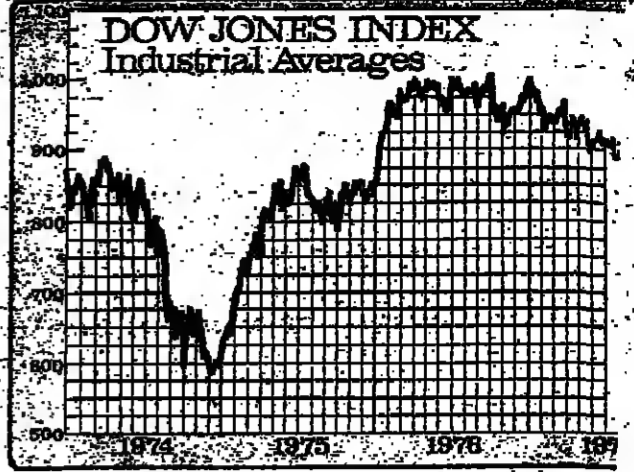
Sharp decline

BY JAY PALMER

OVER THE last few trading days Wall Street has demonstrated, all too vividly for those who remain stubbornly bullish, its continuing vulnerability to with most other more widely day-to-day bad news. The weak based indices moving sharply opened on a sour enough note lower in sympathy, fell 1975 with the Dow Jones Industrial points to close the day well below its support level of 900 points or about 14 per cent on at 883.43, the lowest it has been since January 5, 1976.

This decline, which reversed the modest rally recorded during the final days of the previous week, stemmed from a rash of fresh fears arising from first, June had widened substantially, as well as, more generally, speculation that the Federal Reserve might be moving to tighten credit and that the U.S. second-half economic recovery might not turn out to be all it was anticipated to be.

But, as things turned out, this setback was nothing compared to what was about to happen. On Wednesday Wall Street rolled



Close

914.24
908.18
888.43
889.99
890.07

Mining

BY PAUL CHEESERIGHT

LIKE A dark and stormy night when the international recession has dragged on, mining companies waiting for the dawn have seen dreams of a strong recovery this year evaporate. And next year, as the Organisation for Economic Co-operation and Development has suggested, strength will return only slowly to the world economy.

This week a string of figures from mining companies in the U.S., Canada and Australia has shown that many producers are under strain. The exceptions are those involved in tin and energy minerals.

The two extremes have been clearly evident. Within the Consolidated Gold Fields group, in Australia profits have been buoyant at the Tasmanian tin producer, Renison, and at Bellambi Coal, but at Mount Lyell, where copper production has already been cut back, the financial position has moved from serious to critical.

With world tin demand staying a jump ahead of mine supply, Renison has been increasing production and taking the benefit of high prices. Earnings surged to \$A113m (£73m) in the year to June from just \$A33m in the year before.

Mount Lyell's troubles began under pressure until the world ground, after the exhaustion of tin in a better balance. But there is a similar situation with nickel, where major costs of production increased and then metal prices began to slip. Now it cannot break even, stocks of 550m lbs. the equivalent of six months' consumption.

Lynx, the Canadian producer which has the additional rebate and producer price support of molybdenum, has also been suffering. Net profits in the six months to June were \$C6.4m, compared with \$C26.6m in the same period of 1976. Lynx is 66.9 per cent owned by Rio Algom, which is also owned by Rio Algom. It has also managed to increase copper shipments in earnings from uranium.

The general position of the copper industry was simply explained by Asarco, the U.S. on lead sales. Against this iron producer, earnings will remain the and coal earnings decreased.

Waiting for the dawn

BY PAUL CHEESERIGHT

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But in the three months Amx had net \$27.7m (£15.9m), after higher finance charges taking a reduction in tax credits. The parable figure for a second quarter was \$38 Australia's biggest exporter, Utah Dev which is controlled by U.S. also contended reduced shipments second quarter, reflecting depressed state of the steel industry, but were held at \$A43m, against \$A36.5m in second quarter. A months profits were slightly ahead of the group should top the 1976 total, the company profit ever at Australia.

In Canada, meanwhile the Algom has offset its figures of Lynx with 51 per cent owned by Rio Algom. It has also managed to increase copper shipments in earnings from uranium.

The general position of the copper industry was simply explained by Asarco, the U.S. on lead sales. Against this iron producer, earnings will remain the and coal earnings decreased.

MARKET HIGHLIGHTS OF THE WEEK

Price	Change on	1977	1977
Ytd	Week	High	Low
F.T. Ind. Ord. Index	+440.2	+3.7	477.4
Govt. Secs. Index	67.98	+1.10	71.48
Arlington Motor	86	+14	86
Assan Frontier	275	+85	290
Ayer Hitam	347	+21	395
BAT's Defd.	230	+25	260
B.P.	890	-20	966
G.H.P. Group	220	+76	225
Gallenkamp (A.)	345	+40	355
Geveer	369	+30	385
Gold Mines Kalgoolie	37	+10	50
Lewis & Brydone	77	+12	80
Mills & Allen	65	+14	65
Mono Containers	28	+8	29
Oil Exploration	273	+59	276
Pancontinental	900	-75	613
Purbeck	102	+17	102
Shephs (U.K.)	328	+89	328

U.K. INDICES

Average	July	July	July
week to	29	22	15
Govt. Secs.	67.68	66.77	67.56
Fixed Interest	68.19	67.74	68.13
Indust. Ord.	436.4	440.3	447.9
Gold Mines	118.7	117.5	115.4
Dealings mtd.	4,999	5,543	4,813
Capital Gds.	177.45	179.44	182.42
Consumer (Durable)	166.03	169.24	172.55
Corn (Non-Durable)	164.10	164.05	166.60
Ind. Group	176.35	177.65	180.46
500-Share	202.45	202.58	206.72
Financial Gr.	134.73	135.41	137.18
All-Share	184.69	185.95	188.29
Red. Debs.	52.87	53.37	53.90

TV Radio

BBC 2
7.40-8.45 a.m. and 10.10-2.45 p.m. Open University.
3.00 Saturday Cinema: "The Gully Horse" starring Billy Fury and Michael Medwin.
8.30 Cricket: Third Test—England v. Australia.
6.40 Go Tell It To The Judge.
7.40 News, Sport.
7.40 Network.
8.20 Country Game.
8.50 News on 2.
8.55 Headline for Glory: Memories of the 1974 World Cup Championship in Germany.
10.25 Cricket: Third Test (highlights).
10.55 Dracula, Frankenstein and Friends! "Dracula's Daughter" starring Otto Kruger.
12.05 a.m. "Plague of the Zombies" starring André Morell.

BBC 1
8.05-8.30 a.m. Open University (UHF only).
9.40-10.15 a.m. "The Glory Guys" starring Tom Tryon.
10.30 Grandstand: Rugby Union (10.35) Third Test: New Zealand v. the British Isles; Cricket: Third Test (11.35, 2.30, 2.55, 4.45) England v. Australia; Racing from Goodwood (1.35, 2.10, 2.45, 3.15); Motor Cycling (1.30, 4.25) the World 750 cc. Championships; Athletics (3.25) the Phillips Gateshead Games; 5.05 Final Score.
5.15 The Hot Dogs.
5.30 News.
5.40 Sport/Regional News.
5.45 Pop at the Mill.
6.15 Saturday Night at the Movies: "The Glory Guys" starring Tom Tryon.
8.05 Seaside Special from Bournemouth, starring Val Doonican.
8.55 Cannon.
9.45 News.
9.55 Supernatural.
10.45 The Spinners.
11.15 Ben Hall.
All Regions as BBC 1 except at the following times:
Wales—5.50-5.15 a.m. Telifant.
10.45-11.15 p.m. Broadbands.
12.05 a.m. News and Weather for Wales.
Scotland—8.25-8.45 p.m. and 8.25-8.15 (During Grandstand) Motorcross: Fourth round of the British Motorcross Championship, 12.05 a.m. News and Weather for Scotland.
Northern Ireland—5.40-5.45 p.m. Northern Ireland News and Sport.
12.05 a.m. News and Weather for Northern Ireland.

BBC 2
6.25 Happy Days.
6.55 Mr. and Mrs. T.
7.25 Be My Guest.
8.25 "The Storm" starring Liff Erickson (made specially for television).
8.45 Marti.
9.25 "Be My Guest".
10.30 The Rather Reassuring Programme.
11.00 The London Programme.
12.00 The Prisoner.
12.55 a.m. Close Prayers for Impossible Days by Paul Geres, read by Valentine Dyal.
All IBA Regions as London except at the following times:
ANGLIA
9.25 a.m. Tree Top Tales: 9.40 Return to the Planet of the Apes, 10.45 Saturday Morning Film: "Red Line 7000", 12.00 Phoenix 5, 5.15 a.m. Popere, 5.30 Club Club, 6.50 Space 1999, 6.55 Winner Takes All, 7.25 TV Movies: "Cry Panic", 11.00 The Executive Suite, 12.00 Madeline Ball in Concert, 12.30 a.m. At the End of the Day.
ATV
9.45 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
9.15 a.m. Winning with Willie, 9.45 Jungle Elephant and the Labyrinth Movers, 10.45 Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
BORDER
9.15 a.m. Winning with Willie, 9.45 Jungle Elephant and the Labyrinth Movers, 10.45 Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
CHANNEL
9.15 a.m. Winning with Willie, 9.45 Jungle Elephant and the Labyrinth Movers, 10.45 Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
GRAMPIAN
9.15 a.m. Winning with Willie, 9.45 Jungle Elephant and the Labyrinth Movers, 10.45 Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

GRANADA
9.20 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
HITV
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
SCOTTISH
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

SOUTHERN
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
TYNE TEES
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
WESTWARD
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

YORKSHIRE
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
RADIO 1
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

RADIO 2
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.
RADIO 4
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

BBC Radio London
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

London Broadcasting
9.15 a.m. House for the Future, 10.15 The ATV Saturday Morning Picture Show, 5.15 a.m. Club Club, 5.45 The Man from U.N.C.L.E., 7.25 Mr. and Mrs. T, 8.25 Be My Guest, 8.50 Executive Suite, 11.30 Friends Theatre.

TV ratings, week ended July 24

U.K. Top 20 home viewing (m.)	15. THE XYY MAN (GRAM.)	5.70
1. NIGHT OUT AT THE LONDON CASINO (THRS.)	16. THE ASSAULT SPECIAL (ATV)	5.70
2. MAN ABOUT THE HOUSE (THRS.)	17. SEAGRAM (BBC)	5.70
3. CORONATION STREET (THRS.)	18. THE MUPPET SHOW (BBC)	5.70
4. GET SOME IN (THRS.)	19. THE MUPPET SHOW (BBC)	5.70
5. GENERAL HOSPITAL (ATV)	20. THE MUPPET SHOW (BBC)	5.70
6. WINNER TAKES ALL (YORKS.)	21. THE MUPPET SHOW (BBC)	5.70
7. CROSSROADS (THRS.)	22. THE MUPPET SHOW (BBC)	5.70
8. CROSSROADS (THRS.)	23. THE MUPPET SHOW (BBC)	5.70
9. CROSSROADS (THRS.)	24. THE MUPPET SHOW (BBC)	5.70
10. CROSSROADS (THRS.)	25. THE MUPPET SHOW (BBC)	5.70
11. WOODHUNT (THRS.)	26. THE MUPPET SHOW (BBC)	5.70
12. BEST SELLERS (ATV)	27. THE MUPPET SHOW (BBC)	5.70
13. CORONATION STREET (Wed.) (GRAM.)	28. THE MUPPET SHOW (BBC)	5.70
14. NEWS AT TEN (THRS.) (ITN)	29. THE MUPPET SHOW (BBC)	5.70
15. CHARLIE'S ANGELS (ATV)	30. THE MUPPET SHOW (BBC)	5.70
16. PARADISE ISLAND (THRS.)	31. THE MUPPET SHOW (BBC)	5.70
17. THE BEST OF ENEMIES (YORKS.)	32. THE MUPPET SHOW (BBC)	5.70

Finance and the family/Insurance

Outside the rent acts

BY OUR LEGAL STAFF

I have read your numerous recent replies this year under the heading Outside the Rent Acts and asked a solicitor to submit a draft agreement in connection with a house I own. He did so, but described it as a "risky business" somewhat in contrast to your tone of assurance. Can you offer any help? Your solicitor's caution is justified. Any arrangement designed to exclude the operation of the Rent Acts is subject to scrutiny by the Court, and the Court will not be bound by the form of such a scheme if it is satisfied that the reality is otherwise. Hence it is eminently sound to advise a landlord that he cannot be certain that, for example, a licence to share a room or a flat will not be found to be in fact a tenancy granting exclusive possession.

Refusal of credit card

I hold a credit card and the company concerned rewards holders for introducing new members. I therefore introduced my son, who lives abroad and holds an excellent position where he is paid in U.S. dollars. He has been refused a card, with no reason given and is concerned that his reputation may be affected thereby. Can anything be done? There is now a statutory right to ascertain the name of a credit reference agency consulted by the prospective creditor, and to procure a copy of your file from that agency. This is contained in Sections 158-160 of the Consumer Credit Act 1974 which were brought into operation with effect from May 16, 1977. If the refusal of credit was effected after that date you could require the statutory information.

Maintenance payments

In the case of a woman who is divorcing her husband and is to receive maintenance payments for their children (a) will tax be deducted

Capital gains and losses

In 1974-75 I made a loss of £370 for capital gains tax purposes, and in 1975-76 a gain of £329. On a realisation of £1,025. This was assessed on form P70C, in part IV of which was entered: Gain £525 net margin relief due £1,025 Exempt limit £1,000

CG tax due... £25 x 4 = £100
In 1976-77 I made a gain of £625 against which I set the loss from 1974-75 but the Tax Inspector says this loss is not available because set off against the 1975-76 gain and quotes Finance Act 1971 Schedule II paragraph 2. His calculation is: Gain £525 C/t less £370 Net gain £159 @ 30% £47.40 Marginal relief £34.90 Tax £12.50

Are the authorities correct in the way they have treated the carried forward loss of £370? Tax is a matter of technicalities and arbitrary rules, and the world of capital gains tax in particular is one where equity and logic are strangers. This reply must therefore be larded with technicalities, although we have tried to keep it comprehensible.

The important point is whether the Inspector has issued a formal capital gains tax assessment notice for 1975-76 (and, if he did, what it said and whether it is No.

from the payments? (b) If so, can it be reclaimed? (c) How will tax allowances in respect of the children be treated as between the parties? (a) The husband may deduct income-tax at the basic rate unless the amount is so low that it qualifies as a "small maintenance payment." (b) The wife who has received payments net of tax may make a repayment claim if her total income does not make her liable to pay tax at the basic rate. (c) The person with whom the child lives is entitled to the relief in respect of that child.

Planning and blight

I have a country pub which to appearances will have to be in part demolished if a road-widening scheme, already begun, is completed. How can I force the council to declare its intentions, that is to enter and buy the pub or leave it alone? A careful search of the Local Land Charges Register should be made, and inquiry of the local authority's planning department is also indicated. Until it is known what the planning designation and proposals are it is not possible to formulate a view as to possible planning blight. You would be wise to take professional advice.

Trust for sale and tax

With reference to your reply under Enforcing a trust for sale (April 30) the Development Land Tax Office have written to me to say that since the two joint owners have the usual power to postpone the sale in their capacity as trustees, they, as beneficiaries, only appear to have a right to the income and benefit from a sale. Accordingly, on a sale of the land, only one exemption of £10,000 from the Tax is due. What please do you think? We do not think that the Tax Office's view is correct, as the owners of beneficial interests under a trust for sale are treated

as if they had sold the land themselves. The 1976-77 capital gains tax assessment should be as follows: Chargeable gains: £255 at 30 per cent... £76.50 The Inspector is wrong in quoting paragraph 2, sch. 11, FA1971, because that deals with losses arising in a year where the relevant proceeds do not exceed £1,000, which is not the situation before him. We cannot be quite sure, because not all the facts are quite clear from your inquiry, but it seems pretty certain that you are right, and that the answer to your question is No.

in law as if the sale had been effected, even though they have power to postpone sale. However, the view which the Tax Office have expressed is an arguable one, and it cannot be postulated with certainty which is correct without recourse to the Courts.

Parking on the pavement

It is my understanding that under Section 7 of the Road Traffic Act, 1974, the parking of motor vehicles upon the pavement or verge of a road is prohibited. If this is so, can you tell me why nothing seems to be done about enforcing it? Your understanding of the provisions of the Statute is correct. The section has not yet been brought into force (the whole Act was to commence only as provided for in subsequent statutory instruments).

Cheques in full settlement

A client sends a lesser amount than that claimed in a bill for professional services, by cheque with a letter saying that it is "in full and final settlement." The cheque is paid in. Does this invalidate a subsequent claim for the remainder said to due? The collection of the cheque in the circumstances which you describe will not necessarily preclude the payee from reopening the matter; he may have some explanation such as having had the cheque collected by an administrative error; but there is a strong inference that he has accepted the money on the terms on which it was offered—in which case he would not be permitted to re-open the account.

Creditors as administrators

I am taking over as administrator of an estate of a lady who owed me £12,000. Can I take over the assets, worth about £5,000? I am reluctant to call in valuers or auctioneers, as the expense will fall on me. Can I continue to charge interest on the sum outstanding? Because a personal representative acts in a fiduciary capacity you cannot appropriate assets of the estate without first obtaining a full valuation of them. The alternative is for you to sell the assets by auction. Interest on your debt will continue to accrue, although once the estate is shown to be insolvent you should prove for your debt and (assuming that there are other creditors) the interest rate will then be limited to that allowable under the Bankruptcy Rules.

Price of a flat in Spain

If I sell a flat I own in Spain to a U.K. resident and he pays in sterling, will he have to pay the premium in addition to the price? The sale of your property abroad, though it will require exchange control permission for the purchaser, is not a transaction which would go through the currency market, and therefore the price is entirely a matter for negotiation between you and the buyer.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

WITH PERSONAL circumstances continually changing, sometimes imperceptibly, sometimes suddenly, it is necessary for each one of us at regular intervals to reassess existing arrangements and see what changes we need to make. That is a message I preach regularly but plausibly enough I have caught myself out failing to take my own advice. About a year ago we acquired a dog, but it was only when I was sitting in our local veterinary surgeon's waiting room last week with our dog, who was long to undergo minor but essential surgery, that I began to contemplate the ultimate cost, and to think how much cheaper it would have been for me to have insurance. My contemplation was assisted by the vet's thoughtful provision of insurance proposal forms and I quickly realised that as soon as the present course of treatment was over I should buy, if nothing more, £8 worth of pet owner's insurance.

The tale of my sick dog

My vet's forms came from the Dog Breeder's Insurance Co., a small specialist company operating from Bournemouth. In these days of ever rising minimum premiums, I wonder how long they will be able to hold their present price of £8 per year—against legal liability claims for damage and injury made by anyone other than by a member of the policyholder's family or household or by an employee of the policyholder while, as is usual with liability covers, legal costs are payable in addition to such third party compensation. If the owner is prosecuted under the Dogs Act, then the policy pays his legal defence costs of up to £25, but not of course any fine that may be imposed. Here there is an overlap with the legal liability cover that is

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no doubt that a successful court action in the U.K. in 1980, stopping sparkling wine from Spain being called Spanish Champagne, was very important for the French. After all Britain remains the best export market for Champagne and should drink 5m bottles this year. The Scots have been spending as heavily as the Champagne men to protect the good name of their whisky, which will probably bring in about £500m. in overseas earnings this year. The Scotch Whisky Association starts 30 to 40 legal actions a year around the world to prevent other drink being passed off as genuine Scotch. What often happens in overseas markets is for a little Scotch malt whisky to be added to a lot of locally produced grain spirit and sold in a bottle with a label which features kilts and thistles as its main theme. Shippers of German wines to the U.K. have been worried lately about the way some German producers have been bottling blends of wine from all over the Common Market (mainly Italy) and putting it into bottles using Gothic printed labels and German wine terms for sale to Britain. European law is satisfied by the small print on the labels which states "This wine is a blend of wine from the EEC." The practice has increased because there have been two years when production of German table wine has been

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Motoring

Accord

By ART MARSHALL

Like Citroen, have ded complication if it is necessary. Thus accord is as sophisticated other Japanese mpic.

all-independent sus- ont-wheel drive and ion steering, it is present generation car. It handles as best of them, too.

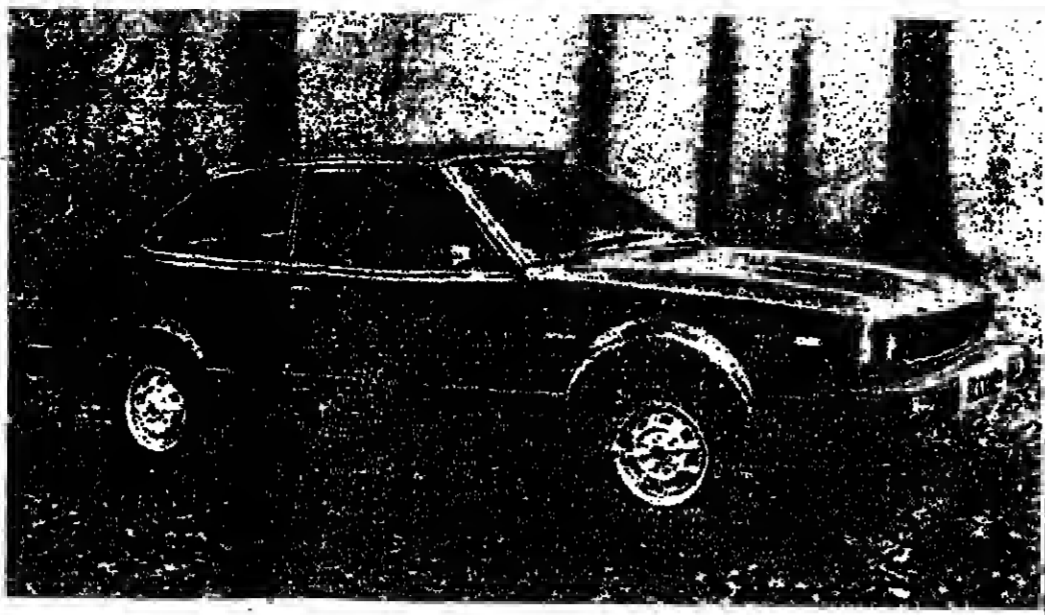
ip behind the wheel imagine yourself in W. The fascia is all je, well fitting black dings. The demister to clear the side he choke has click r like the lens on a Japanese camera.

rior controls are without removing a the wheel which parate horn buttons oke and also looks ing out of a BMW.

a diagram on the panel with tell-tale arn if the doors or re not properly fore you drive of- meter has tiny win- change colour to en servicing has be- sary. The tailgate ned from inside or car.

the Accord is sold- speed manual or n automatic trans- his isn't a conven- latic because it does gear for itself. You or high range and so much when you accelerate.

ir into a slot. Then At 60 mph on a moderate hill the engine was buzzing at 4,000 rpm. At the top of the hill, I



like a very smooth clutch and acting, in much the same way as the DAF/Volvo Variomatic, as an endlessly variable gear.

Low, with acceleration from 0-50 mph in 10.9 seconds and from 30-50 mph in 8.3 seconds, is for driving in town or in heavy traffic. At anything over 50 mph, the engine seems to be working very hard. High range can be used for starting, but acceleration is leisurely—14.7 seconds from 0-50 mph, 9.2 seconds from 30-50 mph. The change from low to high at 50 mph is instant and imperceptible; but if you select low range at 30 mph there is a curious tug through the steering.

My only real disappointment with the Accord was the noise it made at 70 mph. What should have been a relaxed motorway cruise was spoiled by a harsh resonance in the exhaust system which the radio fought against. Engine speed is not a convenient relationship to one another because the transmission slips or high range and so much when you accelerate.

At 60 mph on a moderate hill the engine was buzzing at 4,000 rpm. At the top of the hill, I

based the accelerator. My speed hardly changed but the engine dropped down to a tranquil 3,000 rpm. This, of course, is also a fault of the Variomatic system. At least the Moodomatic allows the engine to idle when you close the throttle instead of screaming its head off until the car has practically stopped.

Top speed is a little over 90 mph and the muscular 1.6 litre engine does around 26 mpg of two star. For an automatic, this is not all bad but the manual transmission version should be considerably more economical.

The driving position is excellent. The front seats have high backs and leg room is positively generous. There is a good view over the bonnet and the screen pillars, though on the thick side, are not really obstructive. The screen is deep and the interior of the car seems light and airy. Although the back seat is wide enough for an occasional third person, leg and knee room is restricted unless there is a bit of give and take on the part of those up front.

The Accord is essentially a development of the Honda Civic, which impressed me so favour-

Golf

Uncommon Trevino

By BEN WRIGHT

EVEN THOSE RIVALS who have been rather less than captivated by Lee Trevino's capricious banter were enthused by his startling come-back to win the Canadian Open last Sunday at its new permanent Toronto home at the dam-touring Jack Nicklaus-designed Glen Abbey Golf Club.

Ironically, Trevino's tactics never appeared more question-able than in his golden year of 1977, when he last won this prestigious title, having taken those of the U.S. and Britain within the previous month. At Merton in the U.S. Open, Trevino relieved his own tension and for once shattered Nicklaus's seemingly impene-trable cocoon of concentration by tossing a frightening life-like model snake at his rival on the first tee as they prepared to play off over 18 holes for the title.

Exactly a year ago, Trevino threw down three golf balls on the practice putting green in Windsor, Ontario, before the Canadian Open and was forced to withdraw when, on trying to pick them up, he was unable to regain an upright position. Surgery quickly followed, in-volving the removal of a badly worn spinal disc.

It was in the nature of the man that Trevino should have attempted to come back to the tournament play too soon—in of 5, 4, 3, 4, 4, 5, caused him February—and was soon forced to finish at one-over-par 73, his won only \$26,235 and was 72nd on the U.S. money-winning list, would win another title if there having made the cut in 13 out of 14 starts. But it was his

I believe that only in 1970, Cities Open. Yet, again when he led going into the final round of the Open Cham-pion-ship at St. Andrews and scored 77 to finish tied for third, has Trevino failed to win a major title when in that positio on the last day.

Trevino's performance in Toronto was exceptional for its courage because he is still in considerable pain every morn-ing on arising, being forced to follow a hot bath with a course of loosening up exercises. Every day in Canada he was on the massage table after playing, but his great source of strengt in the legs has still to return to anything like full power.

Ever the joker in the pack, Trevino is always the darling of the galleries, even if the more cynical of his admirers are familiar with much of his material. He brought the house down on Sunday evening by drawing attention to the presen-tation ceremony to the massive gallery marshal who stayed by his side all day and his black caddie Mitch, who weighs a far from cool 300 lbs or so. Said Trevino: "When those two guys stood together on one side of the green I always knew which way the puts would fall." Lee it's very nice to see you back where you belong.

It was also delighted for Oosterhuis, who came under heavy fire for missing the Open Championship in his bid to work his way into the top 60 players exempt from weekly qualifying in the U.S. Ooster-huis made a small cheque in Milwaukee but missed the cut in the following week in the Quad anyone else.

Cricket Essence of Boycott

ND DAY of the third Australia provided a triumph for their own innings. Boycott, self-imposed exile, and Brearley appreciated the requirements, and decided upon an initial period of crease oc-cupation. Without undue diffi-culty, they coped with the speed- at Thomson, Pascoe and Walker- in fact the only hall to beat the bat early on was to Boycott from Walker in the second over of the day.

Although, the runs came only in a trickle during the first hour, everything suggested that a target of between 350 and 400, and thus a substantial first-innings lead, was there for the taking on a pitch which was lacking in pace.

However, one of cricket's greatest charms is the way situations change in a matter of moments. It was the pace of Pascoe that achieved this First he bad. Brearley brilliantly caught in the gully off a full-blooded stroke, and then his speed trapped Woolmer low on naught. Suddenly England were 34 for two—and struggling.

This brought in the local hero, Randall, to a great ovation. His-four previous appear-ances on his home ground had produced the grand total of one, and he very nearly did not improve on this unhappy sequence. He was almost low to Chappell, and got off the mark with a bad book at only Pascoe's bounce, which only But he did not stay long when the score had reached 52 he became involved in misunder-standings with Boycott and was



England skipper Mike Brearley ducks to avoid a bumper from Australian fast bowler Jeff Thomson. Brearley managed 15 runs.

run out. "Hopes that the experienced pair of Boycott and Greig would retrieve the situation did not materialise, for Thomson, who shared the attack with Walker, knocked out the latter's middle stump.

At 87 for 5, England were in serious trouble, which could have been far worse if Mc-Cosker had not dropped Boy-cott, a comparatively simple slip

Yachting Sea change at Cowes

AS THE 57 Admiral's Cup yachts set sail from the Solent yesterday on the 220-mile Channel Race, the second race in the series and the first to be sailed offshore, a definite air of change hangs over Cowes Week and all its traditions. First, it is no longer a week, as such. The addition of an extra in-shore race in the Admiral's Cup series, made at the request of many overseas competitors after the last series two years ago, has meant that Cowes Week has become Cowes fortnight.

Although the Regatta does not officially start until the Tower of Babel atmosphere has already pervaded the narrow High Street this week as crews from 18 nations, challenge for the Cup, mingled with bemused holidaymakers from all points North. They, in turn, stared seawards, hoping to catch a glimpse of Mr. Heath aboard Morning Cloud.

Morning Cloud, in fact, was still secure in her Hamble River berth during Thursday's racing, but if Mr. Heath could win the flat hat and sandals votes for sailing, he would be Britain's president for life.

The second change at Cowes is the now ever-more blatant addition of sponsorship. When Alfred Dunhill moved in on Cowes Week some six years ago there were rumblings of dis-content in the more traditional areas of the town. In fact, both sides learned together and the result was a greatly improved operation, a combining of all the clubs for the purpose of race management and a race results service that would have been unthinkable, indeed impos-sible, ten years ago.

Entries have increased in all classes, ranging from the 130 yachts listed to race most days in the largest IOR handicap built class to the 75 X boats, no doubt to a design of the last century, which race hot-for-boat in the grand manner of

Queen Victoria's day and with a fearsome disregard for modern changes taking place all around. Without the help of the IBM computer system, calculation of the results for the present-day armada would take hours. Now it takes minutes.

Curiously, this year there are two main sponsors. Dunhill has relinquished its grip on the most international of yachting events, the Admiral's Cup, but retained Cowes Week itself. The Admiral's Cup, meanwhile, has been taken up by Champagne Mumm, which started well earlier this week by entertain-ing more than 1,000 yachtsmen and camp followers in the hal-owed precincts of the Royal Yacht Squadron, an event that ten years ago would have been unthinkable.

Now, as Dunhill hands over the reins of Cowes Week spon-sorship next year to the Delta Metal Company, a further change threatens during Fastnet years. There is talk in Ply-mouth that Millhay Dock, tradi-tional resting place of the Fastnet fleet after the 650-mile Fastnet race, is to be closed and converted to a lorry park for the cross-Channel ferry traffic.

With no single centre capable of accommodating 300 or more visiting yachts at Plymouth, there is serious thought that the flush of the Fastnet race might be moved back to Cowes from where the race starts at the end of Cowes Week.

The entire results system is already to come with the yachts gear to come with the yachts and the 3,000 crew who sell them. When the Fastnet race was first sailed in 1925, it took a week or more to cover the distance. Now the record stands at three-and-a-half days so that an extra 120 miles up the Channel should not cause too much anguish. Given a good westerly, it would take about 12 hours in the larger yachts.

Apart from enabling the crews to return to their original base, it would avoid the need to send literally tons of dry clothes, spare gear, sails, wives and anyone realises it.

Meanwhile, Britain holder of the Admiral's Cup, malotaios a healthy grip on it following a cracking start in Thursday's there seems little doubt that Cowes could cope with a Cowes racing forecast in the Channel Three Weeks, just as it is coping here yesterday's start, favour- with Cowes fortnight. Already ing team with heavy yachts the dinghies that used to race such as Australia, France, Japan alongside their larger sisters and the U.S., the British applle- have had their week moved to the one following the, main regatta, and if this is moved

ALEC BEILBY

Planting Growth from cuttings

TIME of year when woody or semi-woody plants can be grown by cuttings. Now, often almost the strain of disease of a particu- larly unfavourable spell of weather.

Of some plants one can say positively that they are easy to grow commercially. Gardeners are usually ready to give a good plant person who has a skill to grow it by such means sufficiently long and may even be plants can con- do so if the stems are stood in a jar containing an inch reservation more or so of water. Of many other

shrubs, semi-woody plants and shrubby alpines it is impossible to be quite certain whether the cuttings will be easy or difficult to root or even to be precise about which shoots to take as cuttings. However, provided cuttings can be taken without a spoiling the parent plant, it is always worthwhile to try, and if cuttings can be taken from several parts of the plant the chances are greater that some of them will be successful.

The most likely shoots to select are the young ones formed this spring and early summer which are now slowing down and starting to get firm at the base. They may be stems that are extending branches, or side shoots that, if left, would in time make new branches, or shoots that have recently carried flowers and may still bear the faded remains of some of them. The last type is usually the most readily available at this time of year from roses, and can be entirely satisfactory, but in general my preference is for short side growths pulled away with a little knob of older wood, what gardeners call a "heel", at the bottom. There may also be a thin strip of bark or skin as well and this needs to be trimmed off with scissors or a

sharp knife, but otherwise such cuttings, or "slips," are ready for insertion just as they are. Others, without a heel, need to be cut immediately below a leaf or the joint where a leaf has been. Most books lay great stress on making all such cuts very cleanly with no broken edges or torn skin, but I doubt whether this is really of much importance, especially if the end of each cutting is dipped in a rooting powder containing a fungicide, such as captan or thiram, which will protect the wound from infection.

There are all manner of ways of rooting cuttings: in small propagators, usually nowadays made of plastic and often with built-in soil warming; under automatically controlled misting nozzles, the most sophisticated and expensive method; or simply in pots each of which is covered with or slipped into a polythene bag. This last method is so simple, cheap and effective that, for small quantities, which is all the home gardener usually re-quires, it is probably the best. Polythene bags also provide the best protection for cuttings while they are being brought home and, given a little atten-tion, such as an occasional sprinkle of water inside, they will keep most cuttings in good

shape for several days. All the more rapidly cuttings can be made and inserted, the better. I know that some tradi-tionalists like to let rather sappy cuttings, such as geraniums, flag in the sun for a few hours before inserting, but I never saw much sense in this and have never practised it.

Whether or not flagging before insertion has any merits for any plants it certainly has none once the cuttings are in. None the battle is to keep leaves and stems turgid, while new roots are being formed, and that is why a still, close atmosphere is essential for almost all summer cuttings. It also explains the success of polythene bags which allow air to pass through very slowly but no moisture. With leafy cuttings it usually pays to remove several of the leaves, or if they are big, to cut each in half. With rose cuttings I usually retain only the bottom two leaflets on each compound leaf. The point is that the cutting needs sufficient leaf area to enable it to go on manufac-turing food and so feeding the incipient roots, but not so much leaf as to make unreasonable demands for moisture.

Almost every propagator has his own favoured rooting mixture. I generally use half and half peat and coarse sand but Perlite or vermiculite are probably as good as, or for some things perhaps better than sand and in very moist conditions, as

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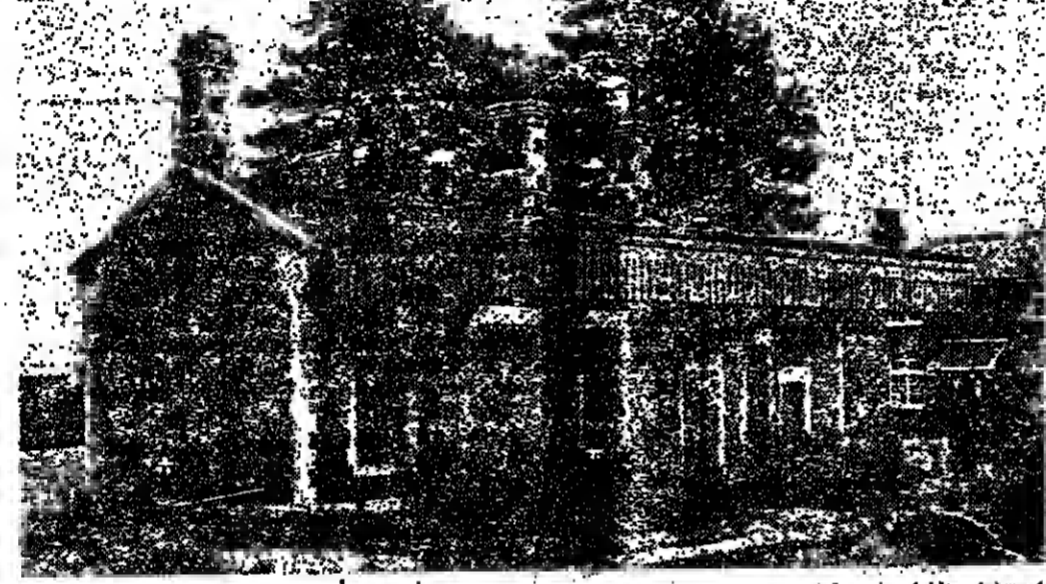
BY JOE RENNISON

THERE SEEMS TO BE a distinct shortage of medium sized palaces in London at the moment. At least if the prices asked and gained for those remaining are to be believed that is certainly true. By small palaces I mean properties that are above average size but fitted out in a palatial manner. The attraction of such places is rarely for the British but for the seeming horde of foreigners who have decided to make London their home—or at least one of their homes. Who would have believed even a couple of years ago that this week one could have made up a newspaper property ad to read: "Family house in Kensington £1.5m. Family flat, Piccadilly only £1m." But details of the following two properties will confirm the reality. And there seems little doubt that they will sell. The West End office of Debenham Tewson and Chinnocks have for sale the freehold of a seemingly modest but incredible period house, together with a new mews house, located in The Boltons, South Kensington. The asking price of £1.5m. indicates both the scarcity of such quality properties and the substantial demand which exists for the same in current market conditions. The main property is No. 7, The Boltons, a period house on four floors which has been completely refurbished throughout and comprises six bedrooms, including two guest suites each with an en suite bathroom, several large reception rooms, a library/study, music room, studio, billiards room, two kitchens and a utility room. It contains many unusual features including a drawing room 45 feet long with four marble-faced columns supporting fine carved ceilings; a large master bedroom suite with a dressing room, sauna and shower piece en suite bathroom containing a large circular bath which can be filled automatically to the required temperature from the adjoining room; a sill-lined Moroccan room; a fully equipped "big screen" cinema which converts into a rifle range; extensive security systems; full central heating throughout. Presumably in the cinema/rifle range one can either entertain or shoot one's guests. The grounds contain a double garage, a large heated swimming pool and floodlit gardens. The mews house to the rear is No. 7, Cresswell Place, which was entirely rebuilt only a few years ago and contains five bedrooms, three bathrooms, two reception rooms, a study, kitchen and double garage. If this seems an excessive price for a house, why not go down market and buy a flat? What is the highest price for a new flat in London? Probably the incredible £1m. now being asked for the equally incredible third floor of 22 Dowo Street, Piccadilly. Covering 6,250 square feet, this flat has 12 bedrooms, nine bathrooms, and six main reception rooms! Plus opulence and gadgetry right down to a TV entry phone. It is being sold on a 999-year lease. So in fact it is really dirt cheap. If you work it out this means less than £3 a day for this vast home. Pity it all has to be paid at once go— in advance. The building, together with its neighbor, is actually Edwardian. Both are now being converted by Eitonhill Estates, a company which operates at the very top end of the market. If the flat is just a little too big for you, selling agents Gardard Smith and Hamptons can offer one-bedroomed flats at a mere £33,000-£55,000, two-bedroomed units at up to £55,000, or a "family size" seven-bedroomed 4/5-bathroom unit at around £350,000. They all have 999-year leases. Three of the flats have been sold even before building works are completed. It seems that demand for luxury accommodation in this part of London has been so great that Down Street is now the only new project of its type on the market. Not surprisingly, all of the buying interest has come from foreigners. But not only from the Middle East—Japanese, Nigerians, and South Americans also have this kind of money to spend on their London bases. The way in which the foreign invasion has put up the prices that may have been asked. In one case a house in South Kensington, selling at £400,000, has gone for £650,000. Some houses round the Park which is mainly St. John's Wood and Regent's Park. In one year prices have almost doubled to £225,000. The survey by Anson and Ringland is carried out every year and it is fascinating to see if this rate of increase in price by 100 per cent. And this survey is based on prices achieved rather than on possibly even higher prices next 12-month.

The Highwayman and I

BY PAUL MARTIN

THE GREY SKIES and fairly incessant rain earlier this summer were not the ideal conditions in which to try out a motor caravan over a leisurely week-end trip when we covered some 300 miles in Wiltshire. One of Britain's biggest hire operators has now created an expanding leisure section which sells, but does not yet hire out, a wide range of both motor and conventional towing caravans and at their invitation I borrowed what seemed, at first, a fairly massive Highwayman conversion built on a Leyland Scorpia chassis. After picking it up from their depot at Warrington on the A23 there are several others in the south-east. I was glad that I had once used a Dormobile as family transport for ferrying our then young family to the local swimming-pool, and down to the coast. The driving position is somewhat similar and, after reminding myself that the overall height was around 9 feet 6 inches, I found few problems in handling the van with a bird's-eye view across the hedgerows and excellent door-pitch in a site at busy periods what restricted rear vision. Come shine or rain—nearly all rain which pitter-pattered continuously on the roof throughout the night—we were determined to try everything out and, after parking for the night at an official site adjoining a pub some five miles from Salisbury, it was not male chauvinism but mutual agreement that I should man the bar before strolling through to the clear instructions about operating the fridge and the cooker and how to assemble the double bed. Although this particular conversion is designed as a 3-6 berth, the arrangement of the hammocks, which form two of the berths, would certainly involve going to bed and dressing by numbers. For two of us it was quite palatial with the full-length main bed made up across the van with the dining table forming the centre piece and space. There are two further berths above the driver's cab with adequate ventilation but lock gates, there is still a deal of work to be done. My favourite Wiltshire is Bradford-on-Avon, a lovely anywhere else it is lovely and somewhat naively with its friendly of houses rising up fr gardens down by the river. The local parish church is beautifully decorated for Jubilee Flower Festival only a short distance from the diminutive church of St. Laurence, rediscovers in the la tury after being us different times as a sch later, as two cottages, staircase in use for period was removed but church was restored but still see the soot stains wall where the chimney was. On our last morning staying overnight at a Malmesbury, we found in conversation with so hands at the caravan. They pointed out that v escalating costs of cross Channel, you obvious quite a lot by taking of vehicle as opposed to a caravan. The modern motor car a fairly hefty investme you might be well adv hire one before decidin We returned from our potter around Wiltshir much converted to the caravan concept—but would be unlikely to great deal of sleeping modations. I think I wou for one of the smaller sions. They are fairly nh can also double up as th car. ADDRESSES: Club of Great Br Camling, 12 Lower Goswold London, S.W.11. English Tourist Board, 4 Crum den, London, SW1V 6DZ. Geoffrey Davis (Caravans) Ltd, Street, Epping, Essex. Mica Caravans Club, 27, W Park Road, London SW15 5SL. Wilsons Motor Caravans Centre (Hire), 36 Acce Lane, London W12 8JZ. Your week-end at Austria 27/77, 62/25, France 2/24, Italy 1/29/77, 1/29/77. Source: Thomas Cook.



Ashley Ashwood

if the prices of the properties described left are somewhat frightening, the cost of the above might bring us back to reality. Railway enthusiasts, industrial archaeologists and people simply wanting an out of the ordinary place to live are making the pilgrimage to a tiny Gloucestershire railway station. The reason for the visits is the station, Barbers Bridge, near Newent, by out-line planning permission for use as a dwelling and will be sold by auction on September 16 at the George Hotel, Newent. Agents for British Rail, Bruton Knowles and Co., Gloucester, expect the 100-year-old building, complete with platform and ornate canopy, to fetch more than £6,500. Barbers Bridge was part of the Newcut Railway Company, formed in 1873 to provide a line between Gloucester and the Old Ledbury house.

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magnolia drive, its "ladies wall hangings and textile counterpane" its river walk strutton...

If you would like to see not only some very fine furniture, but also how it is made in an incomparably fine setting...

OUT and ABOUT

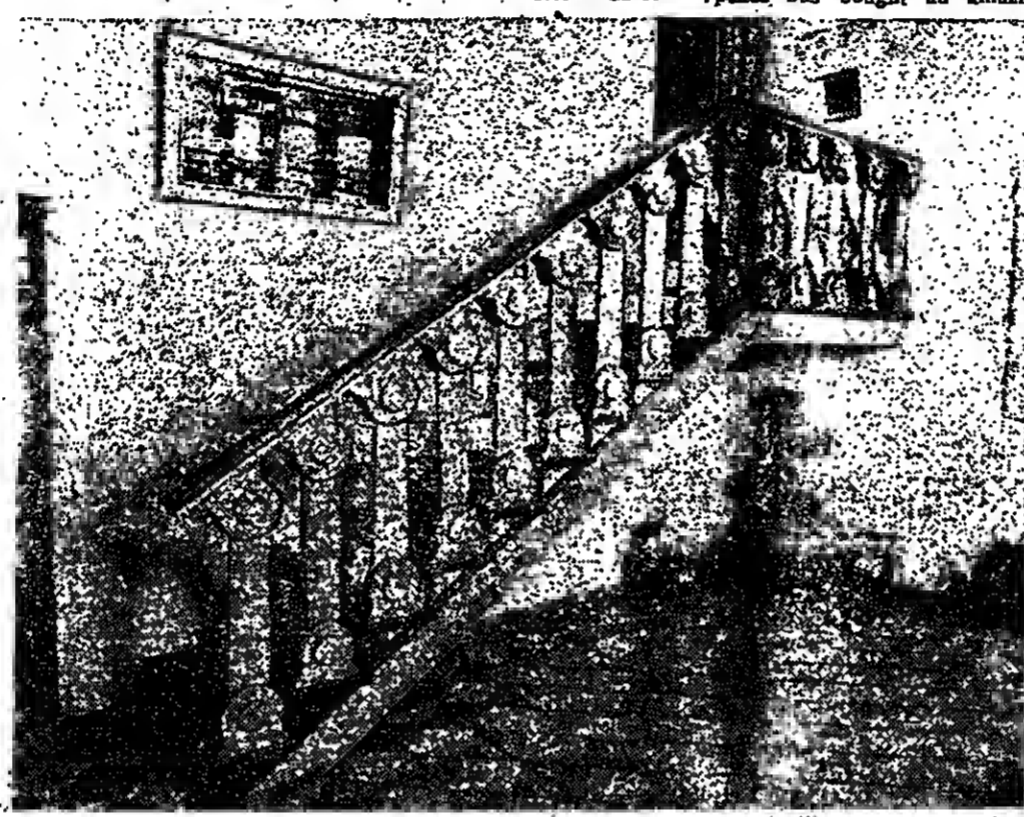


Robin Coles

GALLERY takes prize in Coburg). David Taylor, but I can assure you George Elliott and others. On it. Down past the wood shop there are exhibitions in Cropredy, near stately walled houses and bowls in Oxfordshire it is by David Prie, furniture by child of Ann Hartree Richard La Trabe Beteman, John...

tree is only too well the fact that Britain to persuade businessmen and with wonderful work industrialists (whom, as she do not know about rightly, points out, must become ore cannot buy and the new patrons now that the hopes to do is to pro-

that firstly, she would thins for the gallery 3 p.m. every day except Monday not like most galleries, and Tuesday (so those industry or return basis), trialists can come down and have she would only sell a look at the work during the items and thirdly, she week-end) and Mrs. Crossman could specialise particu, cooks simple, inexpensive but two areas, glass and delicious lunches (with wine, or ch are at the moment local beer or Mrs. Crossman's own exquisite ginger-beer) to there are lovely hand-drink with it) so that even those as from Steven Newell coming from a long way away just when an important should not be daunted.



Picture by Terry Kirk



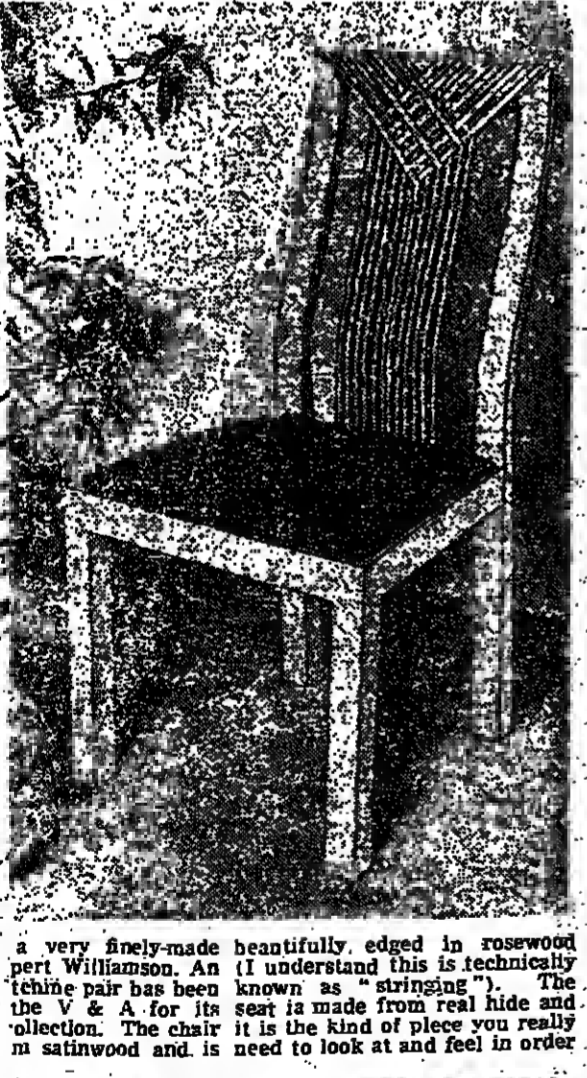
to appreciate its true quality. ice-cream colours like soft pink, Though this particular chair is mustard, yellow and green have been used to stain the oak and sycamore wood. If ever I buy anything to special commission, a country barn I shall order a His workshops are not far away, with it. Neil Henderson staircase to go in Milton Keynes and another example of his work, an equally finely-made desk chair, is also on view at Prescote.

TOP is the staircase (structural and not for sale) which I show because it is a superb example of how a craftsman's skill can be used to give a room or a building a unique and imaginative "lift". This staircase was made by Neil Henderson, who normally makes parts for hotels, and the selection of colours (which, alas, I cannot show) is what truly transforms it—lovely.

Going to pot

IF YOU happen to be travelling in the Midlands and I would recommend a visit to the Gladstone Pottery Museum at Uttoxeter Road, Longton, Stoke-on-Trent. The pottery industry is, to my mind, one of our most fascinating centred as it is in the heart of industrial England where you really can see so much evidence of the past all around. I would read Arnold Bennett's novels of the area towns first (if you haven't done so for some time) just to make sure you're steeped in the authentic flavour.

The museum is centred round an early Victorian "potbank" which has been in continuous use for almost 200 years. Not only can you see certainware being made and thus follow through all the processes but you can also follow the history of the industry through the many pieces on display. If there is a depressing aspect it is that so far from having made progress in recent days it is almost axiomatic that the further back you go the lovelier is the end-product. At the museum you can also buy red earthenware, white earthenware, china flowers and some fine china. If you are in the area don't forget that almost all the pottery firms sell on the spot excellent value "seconds," though they are not, of course, open at week-ends.



Going to the Fayre

STRAWBERRY FAYRE was business in a medieval barn started four years ago by Alec and Jenny Hutchison as an attempt to encourage and revive crafts in and around Stockbridge and the valley of the Test. It is now a flourishing business employing about 100 people in and around the area and the shop itself in the village of Stockbridge in Hampshire, is the sort of pretty, busy Aladdin's cave that is a joy to visit.

Jenny Hutchison organises the patchwork circle and though I know that now patchwork is virtually a national hobby these quilts really are exceedingly attractive, based as they are on old, traditional designs and using lovely soft colours. If you go along to the shop you can not only buy the patchwork but can see it being made. Prices start at £25 for a machine-sewn quilt made from squares to £300 for a richly appliqued quilt. In hand-sewn quilts for between £80 and £90 and, doubles from £80 to £150. Strawberry Fayre is easy to find being in the main street of Stockbridge and it is open from Tuesday to Saturday, from 10 furniture restoration and making a.m. to 5 p.m.

Bridge

In Bridge of the Top (Faber £4.25) Terence Reese breaks new ground by giving us not exactly an autobiography, but a personalised history of the development of Bridge. For all that, I am happy to say, the instructional hands which give such vitality to his other works have not been forgotten. A most entertaining book.

With North-South game, after a pass from the dealer, South bid two no trumps, which North gallantly raised to three. West led the five of clubs to the Knave and Queen, and the declarer proceeded to cash the spade Ace, on which West threw a heart.

South can count eight top tricks if he assumes the heart finesse is working, and the best plan at this stage is to exit with a club end play for a suicide squeeze. If the West player is shrewd enough not to cash his fifth club, then South must take a first round finesse of the heart nine, and eventually endplay East with a spade to compel a lead into the heart tenace.

But the play took a strange turn. Instead of leading a club, declarer crossed to the heart King, finessing the nine on the way back. Then, waking up, he cashed the diamond Ace and, all too late, led a club. It was now quite safe for West to cash all his clubs, as East had an idle card in the six of diamonds, but West had read about suicide and, squeezing he wasn't going to be caught! So he did not cash the

last club, but threw South in the diamond finesse, so West continued with a low spade to the Queen. The declarer now led the Knave of clubs from the table, and to muddy the waters, West dropped the ten. With his sights set on four tricks in the suit, South continued with dummy's nine, which was allowed to win, the three of clubs came next, and the finesse of the Queen lost to the King. From this point, says Terence, there was no Turkish delight. Two spades were cashed by the Brazilian defenders, dummy throwing a heart and a diamond. East cashed the heart Ace and followed with another heart, on which West played the ten, forcing dummy's Queen, now single, to take the trick. Now West had to make a diamond, and South lost three spades, two hearts, a diamond, and a club to go one down. We can admire the efforts of the West player, but the declarer was surely naive not to question the play of the ten from ten, four. Wasn't it likely to cost a trick?

At love all North, the dealer, hid one diamond, and South's response of one no trump was passed all round. West led the spade King, on which his partner dropped the ten, showing four cards in the suit but denying the Knave. It was obviously important to keep South from getting to hand for

the British Chess Federation, 4 K4, P-QB4; 2 N-KB3, N-QB3; The Chess, Norwich, or from 3 P-Q4, PxP; 4 Nxp, P-QR3; 5 B. H. Threadgill, 74 Valley Road, P-QB4, P-K4 (interesting new idea to control the dark squares); 6 N-N3, N-B3; 7 N-E3, B-N5; 8 P-B3, Q-Q; 9 B-K3, P-Q2; 10 Q-Q2, B-K3; 11 B-Q3, B-QB4; 12 Q-Q2, N-Q5; 13 N-Q5, N-Q2; 14 Q-Q, N-Q5; 15 N-Q5, N-Q2; 16 P-B4, R-N1; 17 P-B5 BxN; 18 BxB, Q-N3; 19 R-KB2, P-B3; 20 R-QB4, B-QR4; 21 R-R4.

While Black has consistently played on the dark squares, Karpov has singled out the QRP as the one promising target in the opposing position. Now the game builds up to a climax as Black prepares to gambit the weak pawn for active play.

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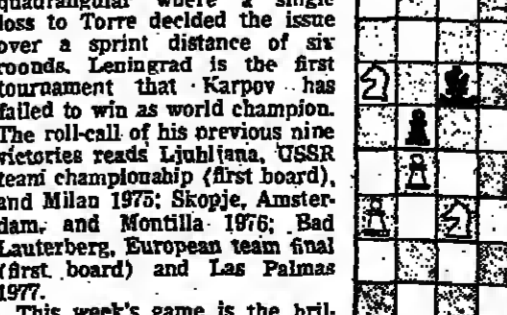
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Chess

ANATOLIY KARPOV will be in London next month for the first time since he won the world championship by default from Bobby Fischer in 1975 (Karpov's only previous appearance was when he won at Hastings 1971, 1972).

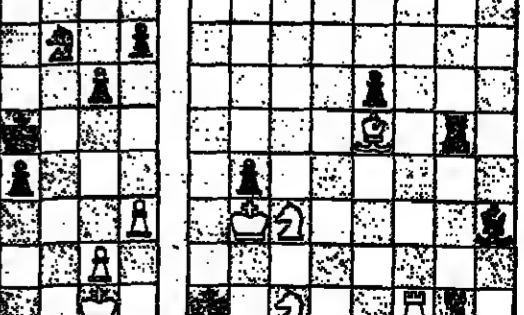
Karpov will be here to take part in BBC's new Master Game series, to be televised in co-operation with West German TV and screened next winter. Unlike the two previous Master Game series which were restricted to leading British players, the 1977 version is a knock-out grandmaster tournament where Tony Miles and William Hartston will compete against some of the top names in European chess.

POSITION No. 177



WHITE (7 men) BLACK (6 men) Pritchett v. Jansa, Caorle 1972. Material is level, but Black has a passed pawn and a centralized king. Can White (to move) draw by (a) 1 P-QR4 (b) 1 N-B5 (c) 1 K-B2 or (d) none of these? The opening moves were 1 P-moves?

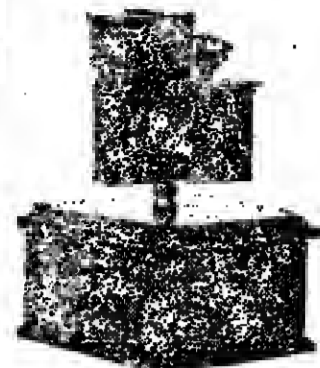
PROBLEM No. 177



WHITE (5 men) BLACK (6 men) White mates in two moves, but Black has against any defence (by O. Wurzburg, American Chess Bulletin 1942).



EXPERIENCE AND EXPERTISE 312



Skafie's Pistolograph camera, c. 1863. To be sold on August 10th at Christie's South Kensington

The miniature camera, using small film, has become almost universal in photography. The reasons are simple: the lenses for this format focus a deeper field of subject matter than larger ones, and they can be made very fast without becoming enormous. We tend to think of this as a modern development, but such workers as Skafie, over 120 years ago, recognised the advantages of the small format. Indeed, with the very slow wet-plate process of those days there was a real and everyday advantage to be gained from using a fast lens. Skafie's little Pistolograph (so-called because it could be mounted on a pistol-type grip for single-handed operation) appeared in 1856, and used a lens of f.1.1 aperture, to produce a negative about the size of that from a modern half-frame camera. Piazzi-Smyth is reputed to have used the Pistolograph for his first ever pictures of the interior of the Great Pyramid - albeit using magnesium flash illumination. But undoubtedly the nicest story about the Pistolograph concerns Skafie himself. He pointed it at Queen Victoria to take a snapshot, but Her Majesty's attendants were taking no chances, and assuming Skafie to be an assassin, overpowered him. He was obliged to open his camera, to prove that it was not a loaded gun, and so his picture of the Queen was lost for ever. For further information on sales of Cameras and Photographs please contact Edward Holmes at Christie's South Kensington, 85 Old Brompton Road, London, S.W.7. Tel: 01-351 2231.

The Arts

Family parties

BY ANTHONY CURTIS

It is all of 30 years since Sibyl Thorne and Lewis Casson created the roles of the redbrick professor reluctant to retire and his long-suffering wife in J. B. Priestley's *The Linden Tree*. At the time the play seemed standard Priestley prolonging in austerity Britain his love-hatred of English middle-class family life. If it appeared to be less sharp in its attack than the slightly earlier *An Inspector Calls* it was on the other hand considerably more on target than the later, disastrous *Mr. Kettle and Mrs. Moon*. Yet of all the late Priestley plays it now seems as if *The Linden Tree* will prove to be the most durable.

Television has already staged a notable revival and last week's radio production in Saturday Night Theatre (Radio 4, July 23) showed the piece to be not only compelling listening for its cunningly contrived clash of personalities but also to possess now a distinct historical interest. In retrospect one sees the Lindens as the last English middle-class family to declare their loyalties on the stage without shame or guilt. By the end of the play the family has more or less disintegrated, but for a brief few days it holds together and the playwright traces the options open to it. One daughter (Joanna Wake) has identified with the Right-wing Catholicism of her aristocratic French husband, another (Carole Hayman), pursuing an unhappy love affair, has settled for medicine and a Mart.

Neither of these attitudes cuts much ice. It is in the son Rex, who was given a suitably serpentine voice by Christopher Godwin, a spy turning into a speculator, that Priestley sensed the way things were rapidly going. The playwright offers several responses to inflationary glances back to the Edwardian living none of which quite meets the case: the commonsense but tired practicality of the wife (Kathleen Helm); the retreat

into the perfection of music—made the lost twilight flicker of the radio revival. The whole question of the Edwardian twilight and what its determination of old Prof. Lin-values really were cropped up again the following night in a preaching his gospel of history-talk on E. M. Forster by Noel Annan (Radio 3, July 24), occasioned by the appearance of the first volume of P. N. Furbank's biography *The Growth of the Novelists 1879-1914* (Secker and Warburg, £6.50). Lord Annan's widely discussed recommendations about broadcasting have obscured the fact that he is himself an excellent broadcaster, unlike most academics he manages to combine donnish precision and a sense of colloquial intimacy with the radio-listener. He left us no doubt as to his affection for the subject of his talk during his long years at King's but his most startling suggestion came when he dealt with that curious hiatus in Forster as a novelist after the appearance of *Howards End* in 1910. Lord Annan insisted that through his novels Forster had destroyed the society he wrote about, leaving himself bereft of subject-matter. It is a high claim to make for the art of the novelist but even if a novelist's exposure of a society was able to modify it, his imagination would surely remain: Henry James, for instance, exposed the dangers of the international liaison in his early books but he went on to write *The Golden Bowl*. But, then, Annan always stimulates controversy and dialogue.

The Monday Play is the most unpredictable of all the drama slots and this week's The Inherited Disease (Radio 4, July 23) by Hélène Bessette, translated by Barbara Bray, was a curious drama of domestic passion set in the French provinces. The setting was all-important because the characters were meant to represent wine-growing and wine-swilling rusticism from whence violence has close to the surface ready to erupt, or so it seemed in James' detailed production, strong on broad English country vowels. Jack May succeeded in imposing a presence on the stolid middle-aged cast proprietor whose much younger wife Delphine (Marion Diamond) pleads with him to grant her the divorce of the title. Helmut's wrath smouldered for the best part of an hour and a half and certainly all seemed a long way from Paris. Indeed for much of the time we might have been in Simenon country, the straight Simonon sans Maigret. Those two inquisitive French gentlemen do, incidentally, conspire to make the running enjoyably on Radio 4 in the trusty hands of Michael Gough and Maurice Denham.



Lord Annan, who this week showed himself as skilled as a broadcaster as he is at producing a report on the state of British broadcasting.

what makes the work so poignant now. When Jimmy Porter came along to put the verbal boot among the ideals of such people he singled Priestley out you may remember: "He's like going. The playwright offers several responses to inflationary glances back to the Edwardian living none of which quite meets the case: the commonsense but tired practicality of the wife (Kathleen Helm); the retreat

Theatres this week

BUSH—Rosie. Monologue by an ageing drunken prostitute, recounting her life. Sensitively done by Mary Sheen. Opened Monday.
CHICHESTER—*The Apple Core*. Shaw's attractive swipe at our electoral system, nicely produced, with Keith Mitchell as Garrick. *The Bells of Hell*. Hasn't much new to say, and says John Mortimer's joke about the curate who works miracles in the

rectory of a trendy parson could be described as a thoughtful farce. Admirably played. Opened Wednesday.
WAREHOUSE—*That Good Between Us*. The Royal Shakespeare's new fringe house at 41, Earlham Street, Covent Garden, opens with a savage, bitter comedy by Howard Barker about secret agents in a fascist Britain. Hasn't much new to say, and says John Mortimer's joke about the curate who works miracles in the

On the streets of Hamburg

BY MICHAEL COVENEY

Last week-end in Hamburg was an important one for both the artistic welfare of the city and the whole concept of an international festival. For some fastidious eyes and a years now, it has been clear that the theatre festivals of Nancy, Shiraz, Berlin and Belgrade have acquired a dangerously elitist character, involving unreal amounts of money and inflated reputations. While the individual achievements of artists like Victor Garcia, Bob Wilson and Andrei Serban have attracted critical acclaim and the intellectual approval of the international cultural jetset, there has been little effort expended on redefining the festival idea for the people in the street for the environments and locations that form a backdrop to the passing show.

Now enterprising, then, of the Hamburg authorities to endow the Alsterpergasse with DM 150,000 (about £55,000) for the International Festival standards) to encourage a way of alleviating the area around the Alster and to bring the people in direct contact with a programme of street theatre groups from all over Europe. Several main performance areas were established, the chief of them on the large esplanade in front of the enticing water with its bobbing restaurants and constant traffic of pleasure boats. The stone steps leading down from street level formed an effective yet informal auditorium, packed throughout the day and night with up to 800 spectators; here were students, people waylaid from shopping expeditions, dwelling office-workers, and chanted children. All along the street had appeared, overnight, countless stalls dispensing hot pea soup, beer from the barrel and pancakes.

While the Alster was the focus of the myriad activities, the artists travelled to all variety of locations within the city. In the north, where office blocks in the "New York ring" rise menacingly to the sky, the Natural Theatre from Bath infiltrated the offices of a leading insurance company and appeared clowning purposefully 20 floors up, to the consternation and delight of anyone who cared to notice them. The Natural Theatre creates a show wherever it finds itself. On the Friday morning, when all the participants repaired to the Town Hall for an official reception, four members of Natural arrived, walking very fast and in step with each other, dressed in black suits and bowlers, their faces concealed beneath silver lurex masks. They inhabited the building, using its geography and grandeur in a wild and witty brand of Michael Gough and Maurice Denham.

streets in a beautifully worked-out mobile format featuring two gun-chewing braves, a teddy boy selling dirty postcards, a little national Act Festival. For some fastidious eyes and a years now, it has been clear that the theatre festivals of Nancy, Shiraz, Berlin and Belgrade have acquired a dangerously elitist character, involving unreal amounts of money and inflated reputations. While the individual achievements of artists like Victor Garcia, Bob Wilson and Andrei Serban have attracted critical acclaim and the intellectual approval of the international cultural jetset, there has been little effort expended on redefining the festival idea for the people in the street for the environments and locations that form a backdrop to the passing show.

The music for the Town Hall parade came from Blague Bolle, a picturesque group from Mar-selles whose performance of rather uninspired mime is not as good as either its make-up or Victor Garcia, Bob Wilson and Andrei Serban have attracted critical acclaim and the intellectual approval of the international cultural jetset, there has been little effort expended on redefining the festival idea for the people in the street for the environments and locations that form a backdrop to the passing show.

Falstaff

BY RONALD CRICHTON

In the Glyndebourne *Falstaff* during the past two weeks a second conductor, as well as the second *Falstaff*, Ford and Alice Ford have taken over. They were heard together on Thursday and will remain for the final performances of the season. The American conductor, Calvin Simmons, impressed with the way he kept the orchestra tingling and transparent, kind to the singers' words and with his superb handling of changes of speed in a score so polished that any uncertainty is true (and ruskie) was. There was, compared to the first night last season, a lack of thought and gusto. A young conductor can hardly take on such risks as John Pritchard, uniquely, experienced in this theatre.

Benjamin Luxon's Ford is surely as good as anything he has done at Glyndebourne—firm of line, full of colour, briefly but not importantly clouded for part of the last scene. Mr. Luxon's Anglo-Saxon features, not entirely suitable for the wicked trollope. Later, they took to the

created reverberative large images in its magical pro- through the city; Phantoms from England caused disruption at the main early one morning dress pyjamas; the Argentinian Traffic, formerly of the Theatre and now resid Amsterdam, struggled on with his recalcitrant lo while making us weep laughter at an offbeat marital misfortune; the burly mime Einar Gheilo popular but tediously fashioned in this rarefied extravagant atmosphere; Puppet Three from failed to display any pa individuality in their qually related community which an effigy of Queco drinking a cup of tea was posed to be funny.

There was a prize of £100 to be distributed among participants, but the jury to split the money among three of the groups: Theatre, Friends Roads Dog Troop. By Saturday noon, with the streets aw people wearing silly and quite often, full clown a whole crazy trip ever co in an end, but end it did, hope expressed and a given that this remarka- successful and enjoyable would be only the first of

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SOTHEBY RECORDS

At one time in use at Mentmore as a jardinière, this milk pail was designed by Jean-Jacques Lagrenée and made at Sévres in 1788 for Marie Antoinette's dairy at Rambouillet. In the sale of the contents of Mentmore on behalf of the Executors of the 6th Earl of Rosebery and his family it realised £60,000—a world auction record price for a piece of Sévres porcelain.

The total for the sale, which took place between 18th and 27th May, was £6,389,933—ten times the previous record for a house sale.

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Collecting

ALTHOUGH H. J. L. J. Massé in *The Pewter Collector* (1921), admitted that collectors could always pose the question: "What possible interest is there in stuff that looks like lead, and that requires perpetual cleaning to keep it in good condition?" art nouveau pewter with its distinctive motifs has a particular appeal.

Throughout the 18th century the manufacture of pewter for domestic use, both in England and on the continent, had gradually declined mainly because of the production of cheaper earthenware and porcelain, followed by the introduction of zinc, galvanized iron, Britannia metal and the process of electro-plating. A pewter revival came at the end of the 19th century in Germany—as part of the art nouveau movement. Of the many pewter factories working at the time the most important and successful was J. P. Kayser. Soho of Krefeld, who marketed a large amount of pewter under the name "Kaysersheim." Arthur Lasenby Liberty liked the look of it, and imported some pieces for his Regent Street shop. The items sold so well that he decided to get his own firm involved with the manufacture of pewter. Having already launched a new range of jewellery and silver under the name "Cymric," based on ancient Celtic art, it was obviously appropriate to apply some of the designs to pewter, calling the range "Tudric." The old Birmingham firm of W. H. Hasler did the actual production, and in 1901, a new company, Liberty and Co. (Cymric) Ltd., was registered in conjunction with Hasler's.

The principal designers were Hans artist, Archibald Knox (1864-1933), and Rex Silver, but due to the firm's policy of keeping their designers anonymous, absolute attribution of who did what is not always possible. The Victoria and Albert Museum has been able to document some designs on stylistic grounds, mainly due to some of Silver's designs being given to them in 1907 by Miss Mary Peckless, the artist's step-daughter, while in Battersby who provided the nucleus of the art nouveau pewter collection at the V and a collection of his original designs in 1967. Two V and A exhibitions initiated by David the Knox Guild of Craft and Design—the travelling exhibition "Art Nouveau Pewter" which first went out in 1968, is on its last run at the Museum and Art Gallery, Whitehaven, Cumbria.

This is an interesting painting because it is the second version. The first showed two young people flirting in a railway carriage while an elderly chaperone slept. This was also bought by Miles. A Tissot, "Girl with Fan," was bought by Colnaght for £12,500, and Miles paid a third/record price when he gave £10,000 for "Merissa" Another auction record for by John William Godward.

So what's new about pewter?

and a Knox exhibition in autumn of 1970, with never actually catalogue. Documented information came with the publication year of *The Designs of Archibald Knox for Liberty* (Ornament Press £10.00). A. J. Tibbcock, jointly with Gordon House, an e-research study, it comes on letters from the Museum, Douglas, as those from Denise Wreing tributes to Knox by his contemporaries had little to do with the creation of outlines, or the exact assessment for controlled restrained decoration.

It is still possible to spot the odd unrecognition pewter piece in sale or junk shop, or home. Sotheby's Belgrave occasionally have some in their 18th and 20th decorative art sales, and often find the crumbs of the Knox's biscuit boxes. Redway, who with P. Garner catalogues the told me that German particularly are kept in market as "extraordinary healthy." One of the Knox cube-shaped tobacco cast with rows of leaves and electro-plated for £200 in an SB sale last against the standard estimate £50-£100 for this type of there is a similar one in September 7 sale.

Over 100 interesting pieces of which are parallel to those catalogued in Liberty's 1875-1875 cent exhibition at the V and 1976, are in an exciting to be held on the 4th of Liberty's from August 8-20 pieces have been painstakingly collected over the past few by Liberty's antique Kenneth Woodten, and the all been hand-polished. V and A polish their collection is his answer to the purist's prefer "the dark muddy that may be the patina of hue." All the pieces are at prices varying from small spill vases and pen to beakers, tankards and trays from around £35 to Anything decorated with deep rich electric blue marine green enamel trim extras that usually wear after to customer's remorse) are naturally more the handsome recto cigarette boxes with their mended lids inset with a cent plaque of a seascape.

Saleroom

CHRISTIE'S held its best ever sale of Victorian pictures yesterday making a total of £301,760. The highlight was the £39,000 (plus the 10 per cent buyer's premium) paid by the London dealer Roy Miles for Abraham Solomon's painting "First Class." The previous record for a Solomon was £3,150.

Victorian highlights

This is an interesting painting because it is the second version. The first showed two young people flirting in a railway carriage while an elderly chaperone slept. This was also bought by Miles. A Tissot, "Girl with Fan," was bought by Colnaght for £12,500, and Miles paid a third/record price when he gave £10,000 for "Merissa" Another auction record for by John William Godward.

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HOME NEWS

Strikes lost Ford 60,000 export orders, says chief

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD OF Britain's critical strike problems this year have robbed the company of at least 60,000 export orders which will never be recovered, Mr. Terry Beckett, chairman and managing director, said yesterday.

After a speech in London in which he launched into an annual outburst against the company's industrial relations record, Mr. Beckett said that the Halewood plant had been given firm export orders for the Escort model which it had failed to fulfil despite available capacity.

The company has been caught out particularly this year, Mr. Beckett said that it was going into the boom August market with the lowest stocks he could ever remember — because the effects of the recent one-month strike at Dagenham were now being exacerbated by the three-week holiday period.

Despite these problems, however, Ford is still predicting it will achieve overall market leadership in Britain this year. Mr. Beckett said that in a market of an estimated 1.3m. cars, Ford hoped to deliver 365,000.

Leyland and Chrysler undercut increases

BRITISH LEYLAND and Chrysler set up the basis yesterday for a counter-attack against Ford's domination of the British car market this year, with price increases which both modestly undercut Ford's recent 6.5 per cent rise.

with the supply position improving considerably in the autumn. The company appears at the moment to have no problem in selling its vehicles. With a substantially up-to-date range, demand is very strong, and Mr. Beckett claimed that there is an outstanding order book of 100,000 cars.

The Leyland increases exclude its sports car range which are being heavily discounted at present in Britain because of the build-up of supplies. But they clearly herald the day in the next price increase round about three months from now, when the basic Mini will cost more than £2,000. This threshold has already been passed by the cheapest Ford Escort Popular.

Inquiry to delay Heathrow expansion

By Michael Donohue, Aerospace Correspondent

PLANS TO build a £50m fourth passenger terminal at London's Heathrow Airport, to raise its capacity from the present 30m passengers a year to about 38m, will be delayed by two years, as a result of a Government decision to hold a planning inquiry.

It is reported that there had been major fighting both in the Ogaden region, the most easterly part of Ethiopian territory, and in Bale, further to the west. Near Deghabur, on the northern fringe of the Ogaden where there have been reports of heavy fighting, Ethiopian ground forces were said to have destroyed 17 Somali tanks and one armoured personnel carrier. Two armoured personnel carriers had been captured, according to Addis Ababa radio.

Spreading Ethiopia conflict obscured by rival claims

BY JAMES BUXTON

BOTH SIDES in the escalating fighting in south-eastern Ethiopia reported more successes yesterday, but the communiques did little to clarify a military situation thickly obscured by conflicting claims.

Ethiopia, continuing to maintain that it is repelling a full-scale invasion by regular Somali troops who crossed into Ethiopian territory early last Saturday, said that its forces had killed 300 Somali soldiers since then. It reported that there had been major fighting both in the Ogaden region, the most easterly part of Ethiopian territory, and in Bale, further to the west.

captured. They were the commander and deputy commander of Somalia's 10th Tank Battalion. Ethiopia said that in separate battles in the region its troops had killed 300 Somali troops who were trying to take Government outposts. Large quantities of weapons and ammunition were seized. It claimed on Thursday that nine Somali MIG fighters had been shot down in the week's fighting.

Meanwhile, the Western Somali Liberation Front, an insurgent group which Somalia says is doing all the fighting against Ethiopian forces in the region, announced that it had captured two months of guerrilla warfare it had shot down 23 Ethiopian aircraft. (Ethiopia is reported to possess only 34 combat aircraft.) It said it had killed or wounded 5,266 Ethiopian soldiers and captured 2,000 more. It released a list of about 100 towns, villages and military posts, which it claims to hold. The list, supplementing reports of captured towns released earlier in the week, would indicate that the Front holds virtually all places of significance to the east of a line running from the south of the Ethiopian city of Harrar down to the meeting point of the Ethiopian, Somali and Kenyan borders. But two of the most significant outposts in the region, Kalofo and Deghabur, are not claimed.

Ethiopia admitted earlier in the week that Somali forces held the "greater part" of the region, but has not admitted the loss of the towns, the only points of strategic value in the barren area.

Without independent confirmation of the various claims all that can be firmly concluded is that heavy fighting is taking place in several parts of the region particularly at Deghabur. From the fact that a cease-fire of the reported fighting does not appear to have moved further east, (that is, towards Somalia itself), it could be deduced that the pro-Somali forces are at least holding their own.

French brace for N-demo clash

BY DAVID CURRY

THE RURAL hamlet of Creys-Malville, on the banks of the Rhone near Lyon, this week-end may well witness the coming of age of the hitherto fairly quiescent French anti-nuclear lobby.

been shown film of anti-nuclear demonstrations in Germany, as part of their briefing of crowd control techniques. It is understood that up to 10,000 police are being held in reserve and there have been rumours, denied locally, that far Left who, it is feared, may be less inhibited about taking on an alien in the case of violent disturbances and a determined effort on the part of the demonstrators to penetrate to the site itself.

PARIS, July 28. The ecologists themselves present a daily broad spectrum of views and defy formal political label. But they have been joined by groups from the political far Left who, it is feared, may be less inhibited about taking on an alien in the case of violent disturbances and a determined effort on the part of the demonstrators to penetrate to the site itself.

Alaska oil reaches Valdez

By Stewart Flanning

NEW YORK, July 28. THE FIRST Alaskan crude oil to-day reached the ice-free port of Valdez in the north of the state, surviving a series of explosions, human errors and attempted sabotage on its 800-mile pipeline.

Belgrade hopes revive

BY PAUL LENDVAI

BELGRADE, July 30. EASTERN and Western delegates to-night criticised a new proposal designed to break the deadlock at the 35-nation preparatory talks on European security but indicated that it may provide the basis for an agreement.

proposal to cut-off the commissariat's work on December 3. The sharpest criticism came from the Spaniards, delegate, Ambassador Václav Lipavský, who demanded that the main conference should end its work only after the adoption of a final document and the fixing of the date of the next meeting, and strongly objected to any limit on the duration of the main conference, scheduled to begin on September 27.

Lebanon pact takes effect

BY HISHAN HIJAZI

BEIRUT, July 29. THE SYRIAN-sponsored agreement boundaries are to be defined and commands excluded from residential areas close to the camps. Residents of the camps will have to be identified, while all Palestinians, in and out of the compounds, will be subject to Lebanese sovereignty laws.

Tokyo rejects car plea

TOKYO, July 29.

THE JAPANESE Government of the current level, the ministry will not act on a French request added. While the Japanese Automobile Manufacturers Association (JAMA) said it would be prepared to hold talks, the Ministry said it could not intervene directly as it had not received an official request.

Thalidomide ruling

TOKYO, July 29.

The European Human Rights Commission has found court order preventing British Sunday Times from publishing an article about thalidomide breaches the peace Convention on Rights, the report Strasbourg. The Commission has referred the case to the European Court of Human Rights for judgment.

CBI man to chair consumers

By Elinor Goodman, Consumer Affairs Correspondent

AN INDUSTRIALIST member of the CBI Council, is to become the next chairman of the National Consumer Council, the body set up by the Government to represent consumers' interests. He is Mr. Michael Shanks, a director of five organisations, including British Oxygen, and a former EEC Director-General of Social Affairs.

Drax B explanation sent to power board

BY DAVID FREUD, INDUSTRIAL STAFF

THE SPECIAL Board meeting of the Central Electricity Generating Board last night considered the Government's clarification of its request to order the Drax B power station early.

Election at Ladywood August 18

By John Hunt, Parliamentary Correspondent

THE BY-ELECTION for the Birmingham, Ladywood seat vacated by Mr. Brian Walden, the Labour MP who is taking over the Weekend World TV programme, will be held on Thursday, August 18. The writ for the election was moved in the Commons yesterday by Mr. George Thomas, the Speaker.

Radiation death risk very small, says professor

BY IAN BREACH IN WHITEHAVEN

THE INCREASE of radioactive hazards presented by the British Nuclear Fuels plan was extremely small according to Prof. John Fremlin, of Birmingham University, who is Cumbria County Council consultant on radiological matters.

SE statement disappoints accountants

By Michael Lafferty, City Staff

THE Stock Exchange is not giving whole-hearted support to the Accounting Standards Committee's new initiative to get his companies to publish estimates of the effect of inflation on their results.

Bar to drop two-counsel rule in court

By Elinor Goodman

THE BAR Council has formally agreed to drop the long-standing rule preventing QCs from appearing alone in court. Under a new resolution adopted by the council, a QC will be entitled to accept instructions to appear alone in any particular case.

Company fails to stop inquiry

AN ACTION by Norwest Holst, the building and civil engineering group, to stop a Department of Trade inquiry into its affairs, was struck out in the High Court yesterday as "frivolous, vexatious and an abuse of the process of the Court."

War on dodgers

A £45m scheme to stamp out fare dodging on London's underground was announced yesterday by London Transport which plans to introduce an automatic ticket check on passengers as they leave and enter the Tube.

Jobs boost

ICI is to spend £3.3m on expanding its research complex at Alderley Park, Macclesfield. About 100 jobs for research staff will be created.

Farm cash

Britain is to receive another £4.3m from the EEC Agricultural

Insurance Act

The passing of the Insurance Brokers (Registration) Act will enable prospective policyholders to identify the right policy and get the best value for their money, said Mr. Stanley Clinton

For savers

The tax exemption on National Savings Bank ordinary account interest is increased to £70 from £40 a year with immediate effect.

Hopeful future

Optimism about the long-term future of the Marathon oil rig yard at Clydebank was expressed yesterday by Mr. Gregor Home, Scottish Minister of State, in discussions with union officials and management.

Soweto schoolgirl shot dead by police

By Quentin Peel

JOHANNESBURG, 19. Police shot dead a 19-year-old schoolgirl in Soweto, the first fatality of the unrest in South Africa townships, as more students boycotted classes. The shooting occurred at the Orlando North Secondary School, where 200 pupils had gathered upon placards calling abolition of Bantu education. According to a statement issued by Brigadier Gerber, the acting C of Police, the schoolgirl had been shot after a failed attempt to disperse the children. She was hit in the chest and died of her wounds. Her name was identified as Thabane. She was a member of the African National Congress (ANC). The schoolgirl was shot dead by police in Soweto, the first fatality of the unrest in South Africa townships, as more students boycotted classes.

Bhutto says army will fail

ISLAMABAD, 30. MR. Z. A. BHUTTO, the Pakistan Prime Minister, said today that the martial law regime ruled since October 7, 1973, will fail.

Mr. Bhutto said that "every martial law has created a new crisis." Mr. Bhutto said he was convinced that laws were the answer to the crisis. He said he would gladly accept the continuation of martial law. Mr. Bhutto told the who Bhutto said that "democracy" could not be restored and "supremacy" would not be restored because no which is presently operating successfully. Mr. Bhutto did not say whether he would accept the planned October election, saying merely that the same and new to analyse it. He said he would be in Karachi next three or four weeks to review the political situation.

Hidden items swell Japan's defence

BY CHARLES SMITH, FAR EAST EDITOR

JAPAN HAS been excluding from its defence budget major items normally included in Western countries whose inclusion would push defence spending well above the politically sensitive ceiling of 1 per cent of GNP.

Peru assembly

THE PERUVIAN armed forces which have been running the country since 1968 are to call a constituent assembly next year and return Peru to civilian rule "without fail" in 1980, General Francisco Morales Bermúdez, the President, announced.

Tokyo rejects car plea

TOKYO, July 29.

THE JAPANESE Government of the current level, the ministry will not act on a French request added. While the Japanese Automobile Manufacturers Association (JAMA) said it would be prepared to hold talks, the Ministry said it could not intervene directly as it had not received an official request.

Bar to drop two-counsel rule in court

By Elinor Goodman

THE BAR Council has formally agreed to drop the long-standing rule preventing QCs from appearing alone in court. Under a new resolution adopted by the council, a QC will be entitled to accept instructions to appear alone in any particular case.

Douglas F. Green

Personal & Corporate Investment Planning 78 Queen Victoria Street, London EC4N 4EJ. 01-248 4964.

FINANCIAL TIMES REPORT

Saturday July 30 1977

INVESTMENT SERVICES

There is a broad range of professional advice available to individuals who are increasingly feeling the need of expert management in handling their investment portfolios.

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MANAGEMENT
all's wealth calls
minimising his tax
second in main-
referably increas-
of his funds.

Success, of course, requires
the idea of defining spend-
ing in terms of increasing spend-
ing power went out of the
window, not during the great
sell-off in the market of 1973-74, but
one year to land during the inflation-ridden year

himself with a significant prob-
lem with capital gains tax; but
someone with £50,000 to invest
is likely to be badly in need of
good advice on income tax
avoidance and, in all probability,
on estate planning. The com-
plexities of the British tax
system are now such that it is
rapidly becoming impossible for
anyone with anything other
than the simplest of PAYE
problems to cope with it un-
aided; and however affluent the
British become as a nation or
individuals within the next
decade, the likelihood is that
these complexities will increase.
The demand for expert advice
on this aspect of personal
finance can therefore be
expected to rise from now on.
This is just as well, for opera-
tions claiming to supply the
second variety of expertise have
over the past five years proved
to be considerably less than
successful.

Under those conditions the
classic inflation 'hedges'—
equities in particular—have
proved no defence against the

erosion of money values; and
the best most investment man-
agers have been able to offer
the frightened individuals who
have fled to their expertise for
protection against the spectre
of relative poverty has been
judicious manipulation of their
portfolios to minimise the
damage. Small wonder, then,
that the cult of growth has
taken a beating, and the idea
of security has made a come-
back.

Securities

To select such a period is
perhaps unfair, at least in
respect of British securities,
whose prices in 1972 reflected
an expansionary monetary
policy the like of which we have
not seen since and are not
likely to see again. Certainly
over short periods since some
investment managers can claim
to have outstripped the rate of
inflation and virtually every-
thing else in sight. But when
it comes to managing real
wealth, consistency of perform-
ance is probably more impor-
tant; and it would take a rash
adviser to claim consistently to
maintain or increase spending
power at a time of accelerating
inflation.

Under those conditions the
classic inflation 'hedges'—
equities in particular—have
proved no defence against the

That has been reflected, on
both sides of the Atlantic, in
the popularity of fixed interest
investment. For the unsophis-
ticated investor it offered the
prospect, at least, of security of
capital values; poor third best
to aim for, but preferable in the
danger which threatened on any
search for growth. For the
more sophisticated counterpar-
t it offered, in its turn, a prospect
of capital growth on the assump-
tion that high interest rates
could not be sustained indefi-
nitely. That assumption has
proved perfectly correct; hence
the great success of the high
income funds which have been
launched within the past 18
months.

These income funds were
examples of what has become a
feature of the investment ser-
vice industry within the past
five years: the proliferation of
investment vehicles. The unit
trust industry, which went
through the second of its
cyclical peaks by 1973, and was
kept from net redemptions only
by the development of unit-
linked life assurance, has led
the way with the introduction,
first of international funds, then
of funds specialising in particu-
lar geographical areas, then of
cash funds, commodity funds,
income funds and most latterly
of recovery funds.

Given that most investors are
after either income or capital
growth, or some combination of
the two, it seems a
curious development. In fact it
is not so irrational as it at first
appears. Quite apart from the
marketing advantages of having
something new to offer, it is a
fact that most unit trusts, by
virtue of the spread which they
offer and which is one of their
principal claims on the atten-
tion of the private investor, can-
not match individual markets,
never mind individual stocks,
for performance. This is why the
great bulk of managed funds
and general capital funds have
underperformed in the U.K.
market within the past 18
months; while to some extent
protecting unit holders
funds when the London market
was on the way down, has also
hindered the growth in their
investments since the situation
was reversed.

Realisation of this—and of the
impact of the occasional lucra-
tive takeover on the perform-

ance of a fund—has led many
unit trust managers to abandon
fund management, and each of
the "big four" clearers now
has its own stable of unit trusts
as well as more personalised
services for the bigger investor.

Like the investment trust
business, but considerably more
rapidly, the unit trust industry
has reacted to its marketing
problems by going onto the
attack—in this case by direct-
ing a very determined market-
ing effort at the professional
advisors who have been playing
an increasingly prominent part
in personal financial planning.
That is in itself an indication of
the increasing importance of
tax, since it is a fair bet that in
virtually every case these
experts—solicitors, accountants,
insurance brokers and the like
—have been called in in an
attempt to minimise the tax-
man's take.

It is also an interesting reflec-
tion of changes within the
professions. Time was when the
solicitor who was either com-
petent or was indeed required,
to advise on investment as well
as conveyancing and litigation
was a very rare bird indeed.
But no longer. The field was in
fact wide open, with most of
the accountancy profession con-
centrating on the problems,
either of the very rich or of
those with businesses of their
own to manage; and certainly
the banks did not provide much
competition.

The banks still do not provide
much competition. True, they
have expanded very fast into
fund management, and each of
the "big four" clearers now
has its own stable of unit trusts
as well as more personalised
services for the bigger investor.
But coping with anything
more than the most elementary
tax does not fall within the
average bank manager's purview.
There is, however, a strong pos-
sibility that this will change
within the next five years. The
banks, which have recently been
reporting record profits again,
have also been bemoaning the
effects of lower interest rates
on the profitability of their ex-
tremely expensive branch net-
work. There is only limited
scope for recovering costs by
raising the charges on bank
accounts; and the alternatives
are to cutback the network—
which will make for labour prob-
lems—or to use it much more
fully. For High Street sites,
most branches see remarkably
little in the way of selling—
as yet. They are, assuming that
nationalisation plans come to
ought, likely to come through
much more strongly in the pro-
vision of personal financial ser-
vices by the end of the decade
—particularly if the advent of
oil wealth makes for a big in-
crease in real incomes.

which, as of now, it is difficult
to see gaining strongly from
such a development is the in-
vestment trusts.

Despite a year of intensive
lobbying to bring the virtues of
the service which they provide
into more prominence—and
despite a spate of mergers and
takeovers which have done
something to offset the problem
of excessive capitalisation—
investment trusts are still sell-
ing, on average, on a discount
of over a third of the value of
their underlying assets. The
reasons were obvious enough
while their gearing was working
against this form of investment.
But that is not the case at the
moment; and the reasons now
adduced to explain the discount
vary from the shortfall of invest-
ment trust income relative to
that of UK equities, to the
weakness of Wall Street.

At the moment the average
yield on investment trusts is
just under 90 per cent. of the
average yield on equities; and
while it is almost certain that
investment trust income will
rise more sharply because of the
trust's North American involv-
ment—at any rate in the
immediate future—it is also
true that it is not likely to rise
sufficiently sharply to reduce
the discount to a significant
degree. For the discount to
decline significantly investors
would have to abandon their
present concentration on return
and look instead to asset back-
ing. And that is not likely to
happen until we are at the top
end of a bull market; and that
is at present beyond the horizon
of either individual investors or
those who would manage their
investments for them.

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scation
Companies are taxed at up to 68%
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y of up to 75%
in the real WEALTH TAXES bite!

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ning and investment service offers many simple and
sticated ideas to help you reduce your liability to
s is the Capital Conversion Scheme, whereby highly
or income can be transferred into a tax efficient fund
regular tax free withdrawals can be made any time
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anster of £1,000 for 10 years could create a fund of
n which £942 p.a. could be taken free of all taxes and
er liability. The capital in your fund meanwhile
s be available.
ow shows how much you would otherwise need to
income of £942 p.a.

Gross Income Required	Capital Invested at 7.5% p.a. Gross to provide Income
£1,450	£19,333
£1,713	£22,840
£2,094	£27,920
£2,693	£35,906
£3,770	£50,266
£5,544	£73,820

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ital growth; tax free gifts; or to transfer what would
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Security in unit trusts

THE THEORY that there is follo,
safety in numbers has helped
to give unit trusts and life
insurance bonds a reputation as
which works out at roughly half
being among the safest avenues
of investment. But the safety
aspect alone does not fully ex-
plain the attraction of this type
of investment. Comparative
safety does of course come into
it but both unit trusts and life
insurance bonds provide a con-
venient means of investing in a
wide range of areas with tax im-
pact, and perhaps most impor-
tant of all the benefits of
experienced professional invest-
ment management.

The spread of unit trust in-
vestment has widened consider-
ably since the early days. It
encompasses virtually the
whole range of home and over-
seas equity investment with spe-
cialist trusts concentrating on
such areas as banking, insur-
ance, property, industry and
commodities, and general trusts
which include all of these sec-
tors and many more. Moreover,
a quick glance down the Finan-
cial Times' list of authorised
unit trusts will reveal oppor-
tunities for investing in such
geographical locations as
Europe, North America and the
Far East and Australia.

The spread of risk offered by
unit trusts is probably best ex-
plained by simply stating the
figures involved. No unit trust
is allowed to invest any more
than 50 per cent. of its portfolio
in any one company and there
is an absolute minimum of 60
companies for a single portfolio.
The Most trusts carry portfolios well
above this level though and the
average is somewhere between
100 and 120 companies.

The minimum investment re-
quired by unit trusts has been
rising in recent years to take
account of inflation but for most
trusts it is still only around
£250, and there are some which
have even managed to keep it
pegged at around £100.
As with any other form of
investment it is of course im-
portant that an investor en-
sures that a unit trust has a
good track record before plac-
ing his money in it. But the
progress of a trust is very well
documented and he should
have no difficulty in finding an
accurate performance table.

The latest performance table,
published earlier this month by
Planned Savings Magazine,
showed the M and G Recovery
Fund to be the best performer
over both the last 12 months
and the last six months with
respective gains of 67.5 per
cent. and 71.9 per cent. The
best performer over the last
four years was shown to be
Barclays/Unicorn Professional
Association.

The tax incentive provided by
unit trusts is based on the
reasoning that, since the trust
itself pays capital gains tax on
transactions within its port-

folio, the investor when finally
cashing his investment is
liable to a reduced charge
which works out at roughly half
the normal rate.

The tax incentives offered by
life assurance bonds take a
different form. Here the inves-
tor is allowed to withdraw up to
5 per cent. of the current value
of his investment per year, and
the tax liable on that 5 per cent.
is deferred until encashment of
the policy. During the life of
the policy 20 such withdrawals
may be made. Although this
means that the final tax charge
could be considerable the
deferral should give the in-
vestor time to arrange his
financial affairs so that at en-
cashment time his personal tax
liability is not at its highest.

Unlike unit trusts, the port-
folios of life assurance bonds
are not solely confined to
equities. If the fund is a
property fund the investment
is directly into property. It is
also possible through life assur-
ance bonds to invest in a wide
range of equities, as well as
fixed interest stocks, gilts, local
authorities and bank deposits,
but this is done through Man-
agement Funds and Money
Funds.

Hill Samuel for instance oper-
ates a Property Fund, a Man-
agement Fund and a Money Fund.
The Property Fund which is
now worth £16m. has a portfolio
consisting of 14 per cent. cash,
41.5 per cent. in offices, 21.2 per
cent. in shops and 22.8 per cent.
in industrial property. The
Management Fund has the widest
range, currently standing at
around £17m. and its invest-
ments break down into 60 per
cent. equities—through unit
trusts—25 per cent. in property
and 15 per cent. in fixed interest
stocks.

As with unit trusts, the merits
of a life assurance fund can
best be judged by examining
the performance tables which
are readily available in invest-
ment magazines. The latest
figures show that the best per-
formers over the last three years
have been Irish Life, Con-
federation Managed, Windsor
Fully Managed and Hill
Samuel Fortune Managed.

For many investors unit trusts
and life assurance bonds may
not provide the answer since
progress can be far slower than
in some other forms of more
speculative investment. Also it
is sometimes felt that an in-
vestor has little control over
his own money when it is
placed in either a trust or a
fund. But both movements are
becoming increasingly flexible
and for the small investor at
least they offer a far wider
range of investment than he
would probably be prepared to
explore on his own without
very expensive, professional
advice.

Tom Kyte

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BRITANNIA FUND MANAGERS

MORTGAGES ARE once again a very topical subject. Interest rates have twice been cut this year while funds are rolling back into the societies. On the back of these developments demand for mortgages has improved recently, and house prices are on the move again. It therefore seems an appropriate moment to highlight the basic forms of mortgage repayment facilities that are available in the market and where the best form of advice can be obtained. After all, the mortgage is without doubt the most important financial arrangement that an average household undertakes.

There are numerous mortgage and insurance brokers where some form of guidance on mortgage repayment schemes can be obtained. Having said this it must be stressed that the industry is saddled with a fringe element of unethical brokers who are quick to take advantage of the unsuspecting client and the outcome could well be that the housebuyer ends up with a scheme which is far more expensive than he needs take out. The insurance companies themselves and the Corporation of Mortgage Brokers are well aware of the damage caused by this element of so-called 'rogue brokers' and much has been done to expose them. A report has been published and the insurance companies are now keeping a much closer check on the situation. It is of course possible to deal direct with the insurance companies, many of whom have produced simple guides on the products they have available.

The private portfolio

FOR THE average investor, the most important investment decision he makes is the choice of adviser. It should not be based on a tip from a casual acquaintance. Nor should it be based on tradition—the mortgage has always gone to Bone Idle and Partners.

In making the choice, a way must be found between the two disastrous rocks—the Scylla and Charybdis of portfolio management. One is abuse by a dishonourable broker. The other is neglect by a reputable broker. The latter is usually not as dramatic as the former. The value of the capital will not suddenly crash but rather seep away gradually. Cautionary tales of this second variety are often told. It is common to only hear from an adviser at the time of the annual valuation and even then he might make no positive suggestion at all. Do not stay with such a broker even if he has advised your family since the Restoration. Better deals are equally available elsewhere.

Larger firms are often no better but there are some which are aiming to increase their private client business and believe they have found cost-effective means of servicing the clients well. The three brokers with the most private clients (according to the April survey in Planned Savings) are Hoare Govett, Grieveson Grant and Capel-Cure Myers.

Even they do not find it economic to ring up every private client with every recommendation they think of. But Grieveson Grant has found a way of keeping even those with less than £25,000 up to date. Investments are entered into a computer and whenever a recommendation comes out of the research department, the computer is asked for a list of clients to whom the advice applies. For example, if the researchers decided that all shares were a particularly good buy, the computer could be asked for a list of every client

who had less than 10 per cent of his portfolio in oils. The relevant clients with portfolios worth over £25,000 would be contacted by telephone or personal letter. The system so far is quite normal for the biggest brokers but the unusual feature is that those clients with less than £25,000 are sent a circular. A circular may not sound terribly attractive but it is better than the thundering silence which greets most investors with less than £25,000. Many brokers claim to keep in contact even if the portfolio is small but in practice they are likely to lose interest. Only the computer is guaranteed to remain faithful.

Even more disheartening than receiving no advice is being rejected by a potential adviser because your portfolio is too small. So, as a guideline, remember that merchant banks expect you to have a lot of the money before they are interested in your investments. The minimums are somewhat less at £25,000 or £50,000. So if you have less than £25,000 you will have to go to a stockbroker or specialist investment adviser.

Among the biggest private client brokers, Hoare Govett boasts that it will deal for clients however little money they have to invest. But there are some brokers who do not like private client business at all and would put their nose up at a little at a fortune, below £25,000. It's a tough life for the smaller private investor.

James Bartholomew

Computer

Pressure

of whom have produced simple guides on the products they have available. The actual method of repaying a mortgage takes two basic forms. There is the conventional type of straight building society mortgage and there is the endowment mortgage scheme where a wide variety of choice is available. Under the terms of the building society loan the repayments are made on a regular basis each month and these only change when there is an alteration in the interest rate charged by the societies. Each of these monthly repayments are made up so as to repay part interest and part capital sum. In the early life of a building society loan, the bulk of the monthly repayment goes to pay-

ing the interest element. As the mortgage nears the end of the repayment period, so the interest element becomes less and more repayment goes towards reducing the capital sum.

Providing the mortgage does not exceed £25,000 tax relief is available on the interest paid to the society. So, since in the early days the bulk of the monthly repayments are for interest, the net monthly outlay is accordingly less. But as the loan is repaid, the amount of tax relief diminishes so the net cost in effect becomes gradually higher.

Under an endowment linked scheme the capital sum is not repaid until the policy matures at the end of the life of the policy. This means that interest is paid on the original amount borrowed from the building society throughout the life of the loan. So the net monthly outlay does not change unless, of course, there is a movement in the income tax rates.

The endowment linked scheme can take many forms. It is possible to secure a policy with or without profits or even a low cost scheme. The no-profits scheme is more or less a method of using the sum assured to repay the capital amount at the end of the policy life. So here the sum assured would be sufficient to cover the society loan.

Endowment

James Bartholomew

of the interest element. As the mortgage nears the end of the repayment period, so the interest element becomes less and more repayment goes towards reducing the capital sum. Providing the mortgage does not exceed £25,000 tax relief is available on the interest paid to the society. So, since in the early days the bulk of the monthly repayments are for interest, the net monthly outlay is accordingly less. But as the loan is repaid, the amount of tax relief diminishes so the net cost in effect becomes gradually higher.

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Pressure

of the interest element. As the mortgage nears the end of the repayment period, so the interest element becomes less and more repayment goes towards reducing the capital sum. Providing the mortgage does not exceed £25,000 tax relief is available on the interest paid to the society. So, since in the early days the bulk of the monthly repayments are for interest, the net monthly outlay is accordingly less. But as the loan is repaid, the amount of tax relief diminishes so the net cost in effect becomes gradually higher.

Under an endowment linked scheme the capital sum is not repaid until the policy matures at the end of the life of the policy. This means that interest is paid on the original amount borrowed from the building society throughout the life of the loan. So the net monthly outlay does not change unless, of course, there is a movement in the income tax rates.

The endowment linked scheme can take many forms. It is possible to secure a policy with or without profits or even a low cost scheme. The no-profits scheme is more or less a method of using the sum assured to repay the capital amount at the end of the policy life. So here the sum assured would be sufficient to cover the society loan.

Endowment

James Bartholomew

Pressure

Opportunities abroad

AFTER THE disasters of 1976 the pound sterling has remained rock steady against the dollar all this year and has only shown significant weakness against the Deutschmark and the Japanese Yen. Economists and financial analysts in the City of London, moreover, have been conducting an almost unprecedented debate about whether sterling should be allowed to float upwards. Now there are indications that the authorities are cutting loose from a dollar which has been coming increasingly under pressure.

The impact of North Sea oil on the balance of payments—which was only £7m in deficit on current account in the three months to June, and is likely to move into substantial surplus in the current quarter—is introducing an entirely new factor into exchange rate analysis, and therefore into attitudes to overseas portfolio investment.

Until now the weakness of sterling has given important currency hedge attractions to overseas assets, with the chance of a profit even when the underlying portfolio performance has not been good—as on Wall Street, for instance. There has also at times been a good prospect of a profit on the investment currency (or dollar for short) premium when investment has been via this route.

Now there is a different attitude. Selection of individual securities in favourably placed overseas markets is much more important when the performance figures are not going to be automatically inflated by the weakness of the pound. And the dollar premium is being treated with a good deal of suspicion. The premium has behaved nervously this year, and while it still holds an effective level of around 40 per cent, this represents a sharp fall on the high of 80 per cent which it reached at one stage in 1975, and is also lower than the 50 per cent or so which it averaged last year. At the end of January 1977 the premium dropped

briefly below 30 per cent, at a time when bullish sentiment about domestic UK shares and bonds was reaching a peak. One of the policies the Government could adopt if it wishes to avoid destabilising currency inflows while still holding sterling down is to liberalise exchange controls. This could involve changes in the structure of the investment currency pool, with various effects.

One possible move—the removal or reduction of the 25 per cent surrender rule—might actually increase the level of the premium, for it would eliminate or diminish the penalty on portfolio switching, a long-standing grievance. In those circumstances, investors would find premium currency more attractive.

But the authorities are also under a certain amount of pressure to remove controls on capital flows within the Common Market, and that could involve abrupt losses of the premium which at present applies equally to EEC securities and property as to those in other countries.

Originally, this was scheduled to happen on January 1, 1978. But there would be serious problems in seeking to treat the EEC separately, for funds could easily leak out from Britain through—for instance—Luxembourg to other world markets. The private investor is able to buy foreign securities in the normal way after purchasing investment currency: the going market rate, and various large stockbrokers, investment houses and banks will advise private clients or manage their portfolios. But the complexities of overseas investment have led to the use of specialist funds which can take advantage of the loan-financed route to overseas investment which is only available to large investors.

Back-to-back loans, whereby cash is deposited in the UK against loans drawn down overseas in foreign currency, have obvious advantages in eliminating most of the premium, risk (though the Bank of England still requires an element of premium financing) and in avoiding the penalty on switching. Fund managers have often had to learn the hard way, however, about the dangers of mismatching currencies in an era of floating exchange rates.

Growing sophistication has led to the development of a two-tier system involving offshore funds set up in tax-free havens like Bermuda or the Cayman Islands. Such funds can switch happily without dollar premium surrender or capital gains tax problems while UK investors put their money in through sterling feeder funds, often domiciled in the Channel Islands.

A very wide choice is available to the UK investor, both of type of fund and geographical area of specialisation. The traditional closed end investment trusts have for a very long time been active overseas, particularly on Wall Street. More recently, some have been launched to cover Europe and the Far East.

However, according to the official statistics, investment trusts, after being modest purchasers of foreign equities in 1975, have been steady sellers since the second quarter of 1976. A roughly similar pattern is shown by unit trusts, where at the end of last year overseas equities on average accounted for just over a fifth of the securities held. The big buildup of overseas trusts during the years up to 1975 has now been halted.

On the world scene, only the German and a few of the Far Eastern stock markets have performed at all satisfactorily in the past year or two, and even these have stayed below their one-time highs. It should not

Big... Our... punc... knock... time... Barry

سكرا من الالصل

Big changes in pensions

Security Pensions the actual investment of their...
 April, will...
 universal earnings-...
 on for everyone...
 in the state or by...
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 Investment can be considered...
 in three parts, deciding on o-...
 vernig investment policy, putting...
 that policy into action and han-...
 dling the administration involved...
 in making the investment...
 collecting dividends and rents...
 and so on. The trustees, whether...
 appointed by the employer or elected...
 by the members, are not, in general,

going to be financial experts...
 though a long period of service...
 could give individuals consider-...
 able insight into financial and...
 investment affairs. Expert in-...
 vestment advice and expertise...
 is essential and investment...
 management services are likely...
 to be required.

The trustees would still be...
 responsible for the investment...
 strategy unless the rules allow...
 them to give the investment...
 managers complete discretion.
 But the investment adviser...
 would have a big part in formu-...
 lating current policy and dis-...
 cussing it with the trustees. The...
 advisers would be responsible...
 for putting that policy into...
 action and the amount of dis-...
 cretion would vary between...
 schemes.

The life companies have...
 recently entered this field offer-...
 ing a similar personal invest-...
 ment management service for...
 their larger clients. But, in...
 general, life companies have...
 concentrated on offering man-...
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 identifiable fund. These are...
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 made by buying and selling...
 units. The trustees would still...
 decide which units to buy, but...
 the management of the funds...
 would be solely the responsi-...
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Bank operations

most banks on...
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It now manages five trusts...
 which have a total value of...
 around £80m, and rank second...
 in terms of size after Barclays...
 Despite being first in the field...
 Lloyds unit trusts have not put...
 up a very sparkling per-...
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 and have generally been out-...
 performed by Midland...
 and its Barclays unit trusts. Barclays...
 Unicorn group is the largest of...
 the clearing bank groups...
 It inherited its trusts from...
 Martins Bank after the...
 merger in 1988—altogether Barclays...
 now controls 15 unit trusts with...
 funds of over £300m. Compared...
 with the other clearing banks...
 Barclays has had a fairly good...
 track record in terms of unit...
 trust performance and only...
 Midland comes close to match-

The largest funds only will...
 be able to justify appointing a...
 full-time investment manager...
 with an investment department...
 under him. He would be respon-...
 sible to the Board of trustees...
 for formulating investment...
 policy and carrying out the ul-...
 timate strategy determined by...
 the Board. He may well be...
 assisted by outside experts—...
 merchant banks and stock-...
 brokers—in formulating policy.

The medium size funds cannot...
 really afford the expense of a...
 full-time investment department...
 and if they intend to be self...
 administered they will need the...
 services of a specialist financial...
 institution. The merchant banks...
 have long offered full invest-...
 ment services to pension...
 schemes, including direct pro-...
 perty if justified. The clearing...
 banks have strong institutional...
 investment divisions as have the...
 leading stockbrokers.

in selecting their investment...
 adviser and manager. Having...
 done that they should give him...
 a free hand in getting on with...
 his job, checking up periodically...
 on his performance. They should...
 not attempt to hedge him in...
 with restrictions or insist on...
 being contacted before each...
 marketing decision.
 The self-employed in contrast...
 to employed persons have to...
 make their own pension arrange-...
 ments, since they will get very...
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 They have to decide how much...
 to invest each year. The advice...
 here will come from their...
 accountant. If the self-employed...
 wishes to save for a decent pen-...
 sion he needs to start as early...
 as possible and put aside a...
 reasonable amount each year...
 even if this means some sacri-...
 fice. The money put aside in...
 a life company self-employed...
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 locked away and cannot be used...
 for any other purpose.
 Then they have to decide...
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National Westminster's unit...
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 mercial Union has a 25 per cent...
 stake) has not been particularly...
 successful to date but at least...
 the bank has been trying to...
 tailor its services to meet the...
 needs of the smaller investors...
 with say, over £2,500 to spare...
 yet not big enough to take ad-...
 vantage of the bank's invest-...
 ment management service. It...
 has set up its Portfolio Invest-...
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 while insurance com-...
 operates like a unit trust but its...
 panies, unit trust groups, etc.,...
 initial charges are considerably...
 have sought to cultivate the...
 smaller and it aims to offer a...
 much more personal service.

PROFESSIONAL ADVISERS, in...
 the form of solicitors, account-...
 ants and insurance brokers, are...
 collectively a most potent force...
 as business-getters in the invest-...
 ment world. Insurance brokers...
 have been aggressive in their...
 own right, particularly in recent...
 years, while insurance com-...
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 smaller and it aims to offer a...
 much more personal service.

have brought the industry into...
 some disrepute. However, there...
 are now grounds for some...
 optimism due to the Insurance...
 Brokers' (Registration) Act. The...
 Act (which was a private...
 member's Bill sponsored by Mr...
 John Page) stipulates that any...
 one wishing to trade as an in-...
 surance broker will have to...
 register with a specially formed...
 committee, the members of...
 which will be drawn mainly...
 from industry but will also...
 include a representative to safe-...
 guard the interests of con-...
 sumers.
 The committee will have to

be satisfied as to the applicant's...
 ability and experience in in-...
 surance broking and the basic...
 qualifications will be clearly de-...
 fined. However, there is also a...
 "suitability" section which is as...
 yet a grey area. It is likely...
 that this will be the section...
 that embraces the topic of in-...
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 of the insurance broker and its...
 contents will apparently be the...
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 the Registration Council and...
 the Department of Trade, which...
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Cost
 The cost of the service is...
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 is more difficult to measure and...
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 Generally banks levy an annual...
 fee of £5 per £1,000 administered...
 with a minimum charge of £50...
 for much larger portfolios, the...
 charges drop, above £100,000...
 for example, Lloyds' fees fall to...
 £3 per £1,000. However, broker-...
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 on to all these fees.
 While the clearing banks...
 have plenty of experience of...
 advising wealthy clients on...
 their investments their attempts...
 at providing investment advice...
 for the average bank customer...
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While there is the obvious...
 trap of generalisation to be...
 taken into account, it is prob-...
 ably fair to say that the average...
 solicitor is not in a position to...
 advise on the suitability of this...
 or that investment for his...
 client. Similarly, it is too much...
 to expect the accountant to be...
 knowledgeable when it comes to...
 all the various investment pack-...
 ages and schemes that are avail-...
 able on the market.
 The adviser may, therefore, be...
 either tempted to take the easy...
 route—pass the client on to a...
 firm of insurance brokers...
 or stockbrokers, or put...
 him into gilt-edged securities...
 because no-risk is involved. He...
 may, on the other hand, direct...
 the client towards the insurance...
 company or unit trust group that...
 has made contact with him first...
 or, worse still, with the group...
 that has offered him the most...
 commission for the business. In...
 other words, his judgment may...
 not be supported by knowledge...
 and may be clouded by mercen-...
 tary considerations, or both.
 The insurance broker selling...
 life assurance is probably more...
 in a position to know the in-...
 vestment market place than...
 either the solicitor or...
 accountant. But the fact...
 remains that the insurance...
 broker makes his living out of...
 commissions and it stands to...
 reason that he will therefore...
 plead for the biggest pay-out...
 wherever possible.
 It is, for example, significant...
 that insurance brokers are...
 currently selling a tremendous...
 number of units for the unit...
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 rivals. The background to this...
 is that, because of tax conces-...
 sions granted to the unit trust...
 industry a few years ago, it...
 became more advantageous for...
 the client to buy units directly...
 than to buy a single premium...
 life assurance contract linked...
 to the units, at one time the...
 result was little different, since...
 the life contract was really a...
 scarcely veiled investment...
 vehicle.
 As a profession insurance...
 brokers have spread their wings...
 considerably in recent years...
 Anthony Gibbs, for example...
 which is also of course a bank...
 has broking interests, unit trusts...
 and financial and tax planning...
 services. Towry Law has moved...
 strongly into investment plan-...
 ning, has a unit trust advisory...
 service and has even ventured...
 into the world of commodity...
 investment.
 But overall there is very little...
 that is uniform about the in-...
 dustry. There are the top-end...
 highly competent brokers and...
 the other end that live off the...
 fringe, and, in the past at least,

Keith Lewis

Eric Short

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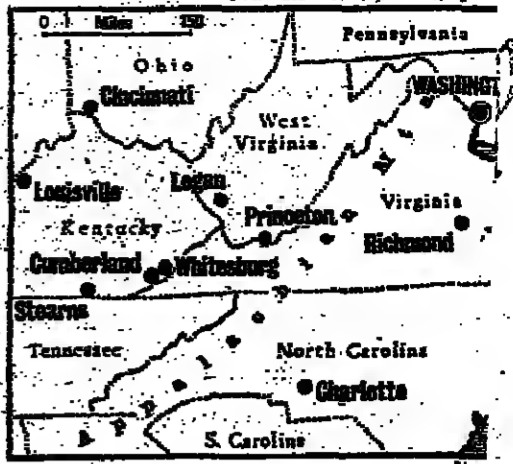
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Saturday July 30 1977

A stronger pound

THE FAIRLY sharp rise in the exchange rate of the pound against the dollar which has taken place this week, and which has helped to push up prices in both the gilt-edged and the equity market, is the result of a deliberate and not altogether unexpected change of policy. Since early in 1977 the Bank of England has been intervening in the foreign exchange market to keep the dollar-sterling rate stable at around \$1.72. Some economists had argued in favour of a further depreciation of sterling to reflect our higher rate of inflation, keep exports competitive and maintain employment in manufacturing industry.

the dollar alone. Foreign observers do not seem to have taken the failure to reach an agreement on Phase Three as badly as the Government expected: but some money may move out if the new wage bargaining season starts badly and the inflow may tail off quite quickly. That will make it easier to maintain a firm monetary policy, while the buoyancy of the gilt market will help to get some more stock sold. Treasury bill rate fell almost far enough yesterday to produce a drop in Minimum Lending Rate and the Government announced the issue of a new short-dated tap stock.

Unemployment

The failure to reach a Phase Three agreement may have been regarded with surprising equanimity by foreign investors but it has caused some alarm in industry at home. The latest CBI survey of industrial trends, which was taken at just that time, shows a drop in general business confidence, and its leaders have made a point of pressing the Government to stick to its monetary targets and to keep the average increase in basic wages to something around 6 per cent. But the drop in business confidence is not only due to fears about wage demands. The CBI survey also shows that the improvement in capacity utilisation has levelled out and the level of order books is below normal, while there has been a small net drop in optimism about export prospects since the last survey.

Gilt sales

The second consequence became apparent last month, when the U.S. persuaded Japan and Germany to let their currencies appreciate against the dollar: the dollar went down and sterling with it. The dollar has continued to take sterling down with it until this week, in fact, because a large number of people outside the U.S. are more concerned about the prospect of a \$20-25bn. trade deficit this year than the U.S. Administration professes to be. It was probably no coincidence that the decision to unpeg sterling from the dollar came just before the announcement of a record U.S. trade deficit of \$2.82bn. for June.

Although the pound has moved up against the dollar, the authorities have not altered their general view that the exchange rate should be kept fairly stable: it will be kept stable against currencies in general, however, rather than

The chance for a new Appalachian Spring

By JUREK MARTIN, U.S. Editor

SOME DAY soon, as coal takes its place as the centrepiece of President Carter's new energy policy, America's attention will turn to its mining heartland in deepest Appalachia. It will do so almost with a sense of discovery, for the mountainous coal counties of eastern Kentucky and southern West Virginia (the two largest producing States in the nation) are among the most overlooked and unknown parts of the U.S.

Only once before has Appalachia stood in the national spotlight. In 1963, Harry M. Caudill, a lawyer and politician from eastern Kentucky, published a book Night Comes to the Cumberlands. Shortly thereafter a series of articles appeared in important newspapers taking up Caudill's theme and disclosing that America had a largely unnoticed cancer of white poverty in its midst. The stories told of children so starved they were eating mud, of tarpaper shacks of unimaginable squalor, of deprivation, ignorance, illiteracy, violence and despair: Presidents Kennedy and Johnson, reflecting on the crusading spirit of the mid-60s, took notice and tried to set remedial action in train.

But that was over ten years ago and since then, with the exception of fleeting coverage of natural disasters and mine explosions, Appalachia has resumed its backwater status. Earlier this month, I spent a week meandering through the coal counties, in part attempting to judge whether the infrastructure existed to support a major expansion of mining, as envisaged by President Carter, but also to search for the features of this strange region, which most Americans only know from their bluegrass country music but on which they will increasingly depend for a vital source of energy.

It would be tempting to write that little more than a decade after the "discovery" of Appalachia nothing has changed, don't tempt me because there seems to be ample evidence that things are as they always were. Violence and recourse to the gun, for example, are recurrent themes in the history of the mountain men of the region, descendants of the poor white Britons who had moved on from the lush plantations of the deep South. This is a land which was riven, often inside individual families by the Civil War, and it is the territory of the Hatfields and McCoy's, whose blood feud spanned generations at about the turn of the century.

To-day there are few road signs - even new ones - that are not peck-marked with bullet holes; this month there are reports of gunbattles between striking miners and company guards in Stearns, Kentucky; the moving documentary film,

"Harlan County, U.S.A." directed by the Oscar-winning Barbara Koppel, told the graphic story of a similar violent and protracted confrontation that ended barely two years ago.

To-day it is still possible to find at the end of desolate hollows (valleys) in the folds of the hills examples of families living in conditions that belong in the Middle Ages. Appalachia is the one part of the U.S. I have visited where the modern

streams, like stranded crocodiles the colour of an army blanket. Environmentalism remains a foreign language in Appalachia: not really that it is possible to blame its inhabitants, since their land has been so despoiled over the years by mining companies which rarely clean up behind them, have scraped some of the hillsides bare, have left countless mounds of slag, some of it still smouldering,

abandoned skeletons of pit-heads decaying in the hills and have fouled irretrievably countless mountain streams. Even the roads seem hardly to have changed. The geography of Appalachia is of unending hills and deep, narrow valleys, wide enough for a stream, a railroad track and in the towns, just a few streets of houses stretched alongside these twin arteries. In McDowell County, West Virginia, 82.4 per cent of the land is no more than a 40 degree slope. Jay Rockefeller, the West Virginia Governor, has in his office survey maps of Mingo County in which areas where it is physically possible to build houses are ringed in red. There are very few red circles.

The Appalachian Regional Commission, the principal proponent of the activism of the 1960s, has concentrated on building roads (as well as hospitals), with some spectacular, brilliantly engineered freeways carving impressive swaths through the countryside, reducing travelling times between principal points substantially. But Appalachia does not have many "principal points." Leave the freeways to go to the small towns and the roads are as they always

were - rutted, winding and precipitous, a delight to the tourist because of their remoteness but inadequate for the infrastructural support the region so badly needs. Outside Princeton, West Virginia, I asked a mobile home salesman how to get to Logan, about 60 miles away. "You see a sign saying the end of the world, and Logan is ten miles beyond that." He was right: I reached Logan four hours later.

But there is also a "visual deception about Appalachia: it might be imagined, given the environmental controversy over strip (open cast) mining, that the rape of the country was not always as apparent. So it does not always appear so: with hills soaring steeply on either side of a hollow, often completely covered with the greenest of trees, the horizons are limited. One valley may for ever be scarred by a strip mine while the next appears totally pristine, the fountains and human habitation concealed under a lush greenness, dotted with dogwoods, the silence punctured by birdsong, not steam drills.

And this visual impression underlines the Appalachian dilemma: there remains much to be done to improve the condition of those who live there and the environment in which they work: at the same time there is much that is worth preserving. It will be much harder to find that right fine line now that President Carter has decreed that America's great coal reserves must be exploited to alleviate the energy crisis.

Coal has been both Appalachia's lifeline and its assassin. West Virginia and

Kentucky are the leading coal States in the nation, but the wealth that it has generated has rarely stayed inside the two States. As the author Neal Peirce describes in his analytical study, The Border States (part of a series which should be mandatory reading for any student of contemporary America), the profits have accrued not to Logan or Mingo or Pike or Letcher Counties but in boardrooms in New York, Philadelphia and even London. Peirce quotes a local state Senator: "West Virginia is not a poor state; it is a rich state inhabited by poor people."

It is impossible in Appalachia not to feel a sense of social outrage at what first the timber barons and then the mining companies have done to the sharecroppers and mountain men. The companies brought illusory fleeting wealth, but in essence, they enslaved. Beginning in the first quarter of this century, sophisticated mining lawyers hoodwinked semi-literate peasants into parting to all intents and purposes, with title to their land. The vehicle was the notorious "left form" deed, which left apparent vested ownership with the mountain man but which gave the company carte blanche to do what it wanted with the land in pursuit of exploiting its mineral rights, including gulling down houses - and to leave the tax burden on the landowner. It is extraordinary that the legality of such chicanery has quite recently been upheld by State courts.

Aided and abetted by a corrupt mine workers' union, the coal companies controlled lives, society and politics. Five years ago, Jay Rockefeller was naive enough to incorporate an anti-strip-mining plan in his election campaign for the governorship, and was beaten because of the political influence of the coal companies. He won convincingly enough last year, but last year he had dropped his opposition to strip mining.

But change is gradually coming to the mining industry and the benefits are being more widely spread. The great wave of hope that followed the election of Arnold Miller to the leadership of the Union of Mineworkers is largely dissipated now. Miller's drawbacks are as a bargainer and Why Whitesburg, West Virginia, is only a mining town but there are towns where a book of the thing other than a knock-kick is not always to be found. The shop is run by a young woman from Connors, West Virginia, and it is so unmemorable her are closer to the land."

She has a point. Peo- n't talk about Jimmy Carter, the B-1 bomber or issues of the world in Appalachia. Hemmed in by their own considerations, they could only consider their lot, but they are doing more than

tract, unemployment in the counties was four or five per cent - the national average - about 3 per cent - except by the major switch to meat production. Throughout the 1950s and 1960s, there was a migration from the area. Virginia suffered a population loss in those years more than any other state in the union, most critically for young and brightest.

But because of improved conditions in the mines and consistent employment with better social facilities and schools, that has now been staunch. Jobs rate in West Virginia coal counties is now less than the statewide average, half the national average, is 7.1 per cent, and, with the exception of mining in the area, there is a potential shortage.

Jay Rockefeller talks of the feasibility of using women in the mines, now that they become more automated, the hope is that those who left Appalachia for cities like Pittsburgh and Cleveland, to have, by all accounts, a strong emotional tie with the area, will return, attract mining jobs that can pay \$20,000 a year. It is no to discern new affluence area, but, one is reassured, times are better. They have been for years. Perhaps because of its emphasis on family, Appalachia always seems to be a unique ability in its transient and still for society as America, to take of people's imaginations. Whitesburg, Kentucky, is only a mining town but there are towns where a book of the thing other than a knock-kick is not always to be found. The shop is run by a young woman from Connors, West Virginia, and it is so unmemorable her are closer to the land."

She has a point. Peo- n't talk about Jimmy Carter, the B-1 bomber or issues of the world in Appalachia. Hemmed in by their own considerations, they could only consider their lot, but they are doing more than

When Harry Caudill wrote his



The "poor white" wife of a striking miner outside her ramshackle home in Harlan County, Kentucky, 1974.

Letters to the Editor

Tax From Lt.-Cdr. N. Pauley, RN (Retd.).

Sir, - There would be no objection to Mrs. Thatcher's promise of presumably substantial cuts in personal taxation but for one nagging doubt: how? To reduce income-tax, and tax on the earnings of companies which she has also promised, would require, the Exchequer to forgo a great deal of revenue. If the loss of this revenue is not to add to the budgetary deficit, and thus add to inflation or increase the need to borrow, it will have to be balanced by an equivalent cut in expenditure.

But the Conservatives are already committed to substantial increases in central government expenditure: for defence, for the police, to pay for the additional subsidies which they have promised owner-occupiers, and to finance the replacement of the domestic rate. Indeed these Tory promises have created, of themselves, a need to cut central government expenditure by at least £10bn. let alone any need to balance a budget inherited from their Labour predecessors.

The Conservatives tell us that they will find the expenditure reductions needed by repealing the Community Land Act, by imposing cash limits on all public expenditure, and by eliminating waste (in bureaucracy and subsidies). But it is doubtful if these reductions alone could exceed £4bn. by a coincidence almost the same sum which Mr. Healey has just succeeded in pruning, and only after unpopular cuts in local government services. Unless therefore Mrs. Thatcher has intentions, as yet concealed, of actually cutting Government itself, by denationalising industry or the Welfare State, most of the money for the Conservative cuts in direct taxation will have to be found by massively increasing indirect taxation: that is, by much higher taxes on the smoker, the drinker and the motorist, or by increasing or extending VAT. Would the Tories, would any Government, be prepared to do this? My fear is that, as in the past,

a Conservative administration might feel driven by the pressure of events to finance at least part of its tax cuts by restoring to the printing press.

Noel Pauley, "Corfu," Cardiff Road, Creigiau, Cardiff.

Art

From Mr. D. Mahon.

Sir, - Judging from Mr. Rupert Cornwell's report (July 25) of the wealth tax proposals of a Labour Party group, there is a cryptic reference in that document to the taxing of works of art which evades the real matter-of-fact, problems which emerged so clearly from the published evidence given to a Select Committee on a Wealth Tax. The reference in question reads: "Heritage property would be taxed but owners could be exempted in return for reasonable public access."

But this is for practical purposes meaningless unless and until it is made clear whether what is proposed is (1) a tax levied annually on the basis of putative valuations, or (2) a tax levied on the proceeds when a work of art is actually sold. In the Select Committee the chairman's draft report, as amended, rejected an annual tax (partly because it was judged that this would appreciably accelerate the dispersal of the heritage, and partly on the grounds of the impracticability of annual assessment), and proposed payment upon sale, with wealth tax assessed in respect of the year preceding that sale (see p. xxvii of Vol. 1 of the report).

One glaring defect, however, remained uncorrected in the proposal for levying tax on the sale proceeds, due to the fact that the only Liberal member of the committee, Mr. John Pardoe, was apparently not seized of its totally inadmissible unfairness. Mr. Pardoe's vote lost an amendment (Vol. 1, p. cxxx) which sought to limit the sale proceeds to be taxed to the net proceeds (deducting all other tax liabilities) on the inconvertible

grounds that a tax liability cannot be an asset constituting wealth. It will be remembered that other taxes can arise on sale, such as deferred capital transfer tax or estate duty (which can amount to three-quarters of the sale proceeds) and capital gains tax. Clearly to treat such liabilities as wealth, and so to subject them to further tax, would be so grotesquely inequitable as to amount to an invitation to owners of works of art to dispose of them before the prospect of such double taxation actually materialises. Denis Mahon, 33, Cadogan Square, S.W.1.

Books

From the Director, The National Book League.

Sir, - Chris Dinkley in "Books good-telly bad" (July 20), an otherwise well-reasoned and interestingly developed article, fails to give sufficient emphasis to several points. The most important is the development of the child's imagination. If 1,000 children see Elizabeth Taylor and Richard Burton as the hero and heroine of a film on TV, then they all see the same two people. If they read about the two characters, each child will flesh out the author's descriptions of the hero and heroine in a different way - and so develop his or her imagination. But books, too, can be read in the garden, on the beach or even in the bath, all of which places children should be visiting rather than sitting "slumped, chin on chest," in front of the telly. And three children can read three different books in the same room; one TV set will condemn them all to the same programme. Martyn Goff, 7, Ademarie Street, W.1.

Convictions

From Mr. E. Ashley.

Sir, - The purpose of the Rehabilitation of Offenders Act is to allow the offender to wipe his criminal slate clean after due passage of time, and to this end certain time limits are specified. In the case of a motoring offence where the motorist has been fined or disqualified - but not imprisoned - five years is the period. Other, longer, periods are specified for more serious offences entailing more severe punishment. On the appropriate period for the motorist is the time offender is legally entitled to lie if he is questioned about what the Act calls his "spent" conviction(s) he is entitled to deny that such ever occurred. Presumably motor insurers can still continue to pose the question: Have you, or any person who to your knowledge will drive, been convicted of any offence in connection with any motor vehicle? Hoping that they will receive truthful answers from some proposer, but fully realising that there is nothing they can do should the proposer choose to lie, safe in the knowledge that he can legally do so! The compulsory relaxation of underwriting inquiry may well bring about increased claims costs, so that one result of this socially desirable Act will be that eventually yet another twist will be given to the premium spiral in many classes of business. E. C. Ashley, (former insurance manager of the Royal Automobile Club.) 6, Davies Aetnae, Heald Green, Cheddle, Cheshire.

Hurdles

From Mr. L. Hyman.

Sir, - Why do we make it so difficult for people to buy or sell a house? In England, an offer is accepted "subject to contract." But until that stage is reached - and it can often take months - both parties need nerves of steel to withstand the pressures that build up during the waiting period. I write from painful experience of the many hurdles to be overcome once the euphoria of agreeing a price has worn off. There are the constantly nagging doubts that the other

party might change his mind - normally, he has plenty of time to do so. Or the buyer could be refused a mortgage. Or the seller will find something wrong with the house. And most common of all - the buyer will be delayed by the person buying his house who, in turn, is delayed by the person buying his house who, in turn, is delayed.

All these fears - and they are very real indeed - usually vanish with the exchange of contracts. As a result, both parties become almost obsessed about reaching the contract stage. And it is not only the two parties. Breathing down their necks are solicitors, estate agents, building societies and bank managers. Nothing can really happen, including a bridging loan, until contracts are exchanged.

It is very much easier to buy or sell £1m. of stocks, shares or commodities than it is to buy or sell a £10,000 house. In Scotland I understand they have a form of tendering, which presumably resolves many of the uncertainties before an offer is made, and not after it is accepted, as in England. Ian Hayman, 30, Constable Road, Norwich.

Printing

From the Managing Director, Sherrill Press.

Sir, - While applauding your article on "Selling the annual report" (July 21), the role you give to printers is not a fair one. Annual report printers are not, by definition, expensive and do apply to their work a considerable expertise and experience. There are many printers who have their own design, and even photographic studios, and are able to give a complete service in the production of report and account work.

The professional approach you talk of can be as well served by the right printer, if the Company Secretary and his Board are themselves convinced of the benefits that can be

gained from a well produced document. Alexander D. Sband, Sherrill Press, Road, Temple Fields, Harlow, Essex.

Flaming

From Mr. R. Wint.

Sir, - Whatever the dictionaries may say, there is a clear difference in meaning between the words "flammable" and "inflammable" (Men & Matters, July 11). "Flammable" means "capable of burning with a flame" while "inflammable" means "capable of being set on fire easily." This is the effect, in this case, of the Latin prefix "in."

The difference in meaning will be immediately obvious to anybody who has had occasion to try to light a Christmas pudding. Cold brandy, though flammable, is far from being inflammable! There is all the difference if you warm the brandy first as the EEC Commissioners can easily verify for themselves. R. J. C. Walt, P.O. Box 918, Khartoum, Sudan.

Fieldglasses

From Mr. R. Instone.

Sir, - The demise of the old departure board at Waterloo Station (Men and Matters, July 25) looks more than nostalgic. Its lofty successor seems to have been designed for the exclusive use of Ascot regulars, since the station names it exhibits are all but indecipherable by those of normal vision without the aid of fieldglasses. It would be interesting to know what legitimacy tests were applied before the specification for the new board was accepted. In particular, since the fact that lower-case lettering is more legible than capitals is widely known (even to British Rail, which uses it nowadays for most signs), why was it not adopted for the new levitation?

Ralph Instone, 18, Forncress, Roehampton Lane, S.W.15.

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Certainly, if I had been in Snow's position, I would have signed and thought that Mr. Packer was Father Christmas in disguise."

Packer: a short-term loss for cricket

BY TREVOR BAILEY

REDENTS which need the present cricket are all too sport. There are no Baddies—just administrator conscientious no like most of their hard for the same of a suspicious of their own nature, declined to understate the International ference never even the possibility of g in a position to series. This is having to draft an law this week to totally unexpected am has come about Kerry Packer, the Australian TV group, of the world's top e televised cricket Packer, 39, runs business empire his father the late acker. (Sir Frank sides being an es barn, was a an who twice tried merica's Cup in his) on, made at Lords was to be Oct 1 all g part in matches have the approval governing bodies. nce also strongly d that this ban to other first class n England, for ayers in Packer's ricket series in t winter would be county matches. this broadside "Packer Pirates" y if the controllers e to maintain con- t bringing about a o the game unless o the pirates fol- ope of Jeff Thom- ralian fast bowler, er unconditionally orces.

It would be no surprise if some of the younger players followed Thomson's lead, because the attractive short-term gain could easily represent a long-term loss. Also they would inevitably miss the excitement of Test cricket. There are not many world class players about and cricket cannot afford to lose the best of them at one go without reducing the status and the entertainment value of Test matches for several years to come. The West Indies, now the strongest international side, look like losing all their finest cricketers. Australia will virtually be reduced to a second eleven. The Pakistan team, due to tour this country next summer, will be seriously weakened. England will be without Underwood, Knott and Greig, who until recently were apart from Boycott—the only three true internationals available.

Of different categories. Of the small English contingent, it is not without significance that apart from Greig, who has a South African background—Underwood, Knott, Amis and Snow have all enjoyed substantial tax-free county "benefits" worth more than £30,000 each. Some may claim that as a result they should not take part in an exercise bound to have an adverse effect on international cricket, and therefore

tunity to raise their living standards by becoming full professionals with English county clubs and representing the West Indies. They are the game's leading mercenaries and it was only natural that they would sign up with Packer. Although a large number of overseas cricketers, too many to be healthy for the English game, are currently found on our country circuit, there are no Australians. The reason is that

the Australian team and state eleven would expect to earn around \$423,000 (£16,000) directly from cricket. It is easy to understand why Australians who have retired, like Ian Chappell, or nearly retired, like Dennis Lillee, have joined Packer, but I fear that some of the youngsters who will have signed away a rich heritage. When the well-kept secret of the clandestine signings leaked

Whether this would have proved a stumbling block will not now be known, as Packer walked out of the meeting because the Australian board of control would not immediately guarantee him the exclusive television rights to Test cricket in Australia, when the present contract expired. The ease with which Packer was able to acquire the services of so many cricketers underlines the fact that first-class cricket is, gofer, footballer or tennis and always has been, based on a very fragile financial foundation. Cricket is economically a lion, it is over-dependent upon the weather and the staging costs are far higher than for most other sports. This is why England is the only place where the game is recognised as a profession, but the 17 first-class countries have from the onset struggled to survive, because gate receipts have never been enough. Once the clubs used to rely on membership—still their life blood—and rich patrons; the latter have long since been taxed out of existence, or are living abroad.

A regular member of the England side can expect to make between £5,000 and £7,500 a year, while there are lucrative spin-offs including ghosted newspaper articles and enduring sports equipment. But these would not excite a professional player, so it is easy to understand why Packer's offer was so attractive, and one with which no governing body could compete, because they are responsible for the game at all levels, not merely for the top players. In spite of the damage the Packer matches will initially do to the game, they could prove beneficial in the long run, as they may lead to higher salaries and a reduction in the number of overseas cricketers in our county elevens. I would not blame any of the players for going where the money is, although whether it will last must be open to some doubt. After the poverty has worn off, the Australian public may tire of games between teams playing for cash and a television company rather than for their country. However, the Packer controversy has given him a lot of publicity and his super-star series is bound, at least initially, to create enormous interest. What are the views of present county cricketers? I have spoken to members of four county sides. Though they have every sympathy and fully understand the reason why their colleagues have defected, they felt they should be excluded from Test cricket for at least as long as their Packer contract lasts. What was more surprising was that the majority also felt they should be banned from domestic cricket, providing this was legally feasible and did not interfere with the laws on trade restraint.

At domestic level, if the recommendation of the ICC is upheld, as seems certain, Hampshire will be far less attractive next summer with a South African and two West Indians missing from its side. They will be deprived of the most devastating opening pair in the business and a deadly fast bowler, while Kent will have to make do without four key members of its present side: two England players, a West Indian and a Pakistani.

He was able to do this by the simple expedient of offering them contracts, some of three years' duration, which guaranteed them far more money—estimated to be worth \$440,000 (£26,000) a year—than they could possibly obtain from the game in any other way, plus attractive down payments of up to \$45,000 (£3,200).

Because many of those who signed would otherwise have been required by their countries for Tests, what was initially an Australian domestic problem became an international one. Did those who first agreed to join fully realise what they were letting themselves in for, apart from the money? I have a suspicion, though I could be wrong because I have not seen a contract, that some believed they would have the best of both worlds by drawing the extra cash and continuing to play first class cricket—even if it inevitably meant missing some international matches.

Eventually upon their respective countries. But it must be pointed out that their "benefits" were granted for past services. Certainly, if I had been in Snow's position, I would have signed and thought that Mr. Packer was Father Christmas in disguise. To five South Africans (including the present captain, Derbyshire and Gloucestershire, who have been cut off from international cricket, this offer represents an opportunity of showing their ability in a higher standard of cricket than is now available to them, visiting Australia and making money. Cricket has provided many West Indians with the oppor-

out and the boards of control of the various countries realised how the Packer circus would affect them, a meeting was eventually arranged between the cricketing impresario and representatives of the ICC in the hope that a compromise could be reached. The cricket authorities were prepared to give the unofficial series responsibility, by recognising them as first-class, allowing the games to be staged on Test grounds and taking over the actual running and administration of the matches which certainly would not be easy. In return, one assumes that the ICC would have made sure that the matches did not clash with the already-arranged Tests.

For a short period after the last war, Supporters' Associations with their attendant football pools helped keep the counties out of the perpetual red, but the clubs would never have lasted in their present form, had it not been for the introduction of limited overs competitions, massive commercial sponsorship, and greatly increased television receipts. Although the salary of a capped county player has risen, it has not kept pace with inflation. To-day he can expect to be paid about £3,000 for a five-month season, plus certain perks, including free meals and hotels and bonuses. But that is not, of course, worth nearly as much as the £500 a Yorkshire player would have earned immediately before the war. The average county cricketer has a pleasant life, but the re-

economic policy committee meets. WEDNESDAY—International Monetary Fund gold auction in Washington. THURSDAY—Meeting of Finance Ministers of the Organisation of Petroleum and Exporting Countries, Vienna. CBI south-western regional council meeting. FRIDAY—The Queen and the Duke of Edinburgh begin Silver Jubilee visit to Devon. SATURDAY—Dr. Johannes Wetz- even, managing director of the International Monetary Fund, meets Ministers of potential donor-countries in Paris.

Good case
But players believed they did not receive sufficient money for their efforts, and that the cricket authorities had moved too slowly to redress this matter. They have a good case. The wealthy Australian businessman, Kerry Packer, walked on to the scene which has occurred in many other sports at the right moment. He immediately saw how cricketers, notoriously poorly-rewarded, could be used as a lever to acquire the television rights he

wanted for his TV company, and he simply lit the fuse. The Packer affair, which has provided cricket with its most controversial topic since the 1932 "bodyline" series of Tests, originally had nothing directly to do with the game. It stemmed from a basic disagreement between Packer and the Australian Board of Control over the television rights for Tests in Australia. When he found he could not obtain these, he decided to put on his own show by secretly signing up more than 50 of the world's leading cricketers, including most of the present Australian side.

Mr. Kerry Packer (centre), master of the rebel players; Ian Chappell, a former Australian Captain who has signed with him; and Jeff Thomson (right), who this week tore up his contract.

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ABOUT NEWS

JJ will urge TUC boycott Institute

PIKE, LABOUR STAFF
SUPPORT for the Institute of Journalists' refusal to co-operate with non-NUJ journalists, but the union is now seeking far more extensive action endorsed as Congress policy. If the NUJ resolution is adopted it will cause some rethinking of the TUC's own Press relations. Journalists are present admitted to its Press conferences and to the annual Congress without any check on whether they are members of a TUC union. The Institute of Journalists, a much smaller organisation than the NUJ, has a certificate of independence. NUJ members at North of England Newspapers, who declared a post-entry closed shop late last year, have been on strike since early June over the em-drafting a charter. The dispute will move into a new phase next week when, now supported by print union members, the strikers expect production of the company's papers to be isolated by hit.

Dockers circulate plan out container base

ARNETT, LABOUR STAFF
Near evidence has been placed at the depot, a strategically sited distribution centre with its own customs office. The dockers, who did not say who they were, then approached the agents for details of their services. "When returning to Southampton with the list of agents, we went to every one in turn and told them straight they had a choice either to use Southampton or Didcot," says the document. "If it was Didcot, they would not get another container through Southampton docks or any other port." Mr. Ritchie Pearce, chairman of the Southampton port shop stewards, said yesterday that the result of the action, carried out through last year, was that the distribution centre was not handling container cargo. A spokesman at Didcot said, however, that the action by dockers had not had a noticeable effect on the centre. In a largely separate issue, the National Union of Railway and General has claimed that companies have been threatened with "blacking" by TGWU members arts took names if they attempted to switch off with offices goods traffic from road to rail.

Call to world's unions

OUR STAFF
SNETT, general trade unionists in Surbiton, a General and Industrial Union, said trial problems were international and had to be tackled on an international basis. Britain must stay in the Common Market and those who wanted the country to opt-out of the EEC were "going up a tree of young blind alleys."

Commons row over Wilson 'bugging'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE PRIME Minister yesterday failed to clear up allegations that Sir Harold Wilson was bugged by MI5 at No. 10 during his eight years of service as Prime Minister and that the counter-espionage service suspected the existence of a Communist "cell" in his Government. After hours of angry exchanges in the Commons and demands for a Government statement, Mr. Callaghan came to the House to face questions on the matter from Mrs. Margaret Thatcher, leader of the Opposition. In the early hours of the morning, as the row started, Mr. Peter Blaker, Con. Blackpool S., said it was clear that a breach of the Official Secrets Act by Sir Harold was involved, if not also a breach of his own as a Party Councillor. Mrs. Thatcher, for her part, also suggested that a breach of the Official Secrets Act might well be involved and urged that Mr. Sam Silkin, the Attorney-General, should be asked to investigate.

Angry
But Mr. Callaghan, who obviously came to the House with great reluctance and looked extremely ill at ease over the whole affair, refused to be drawn very far. His failure to give a clear denial of the allegations left the Opposition angry and dissatisfied, particularly as Parliament was breaking up for the recess and there would be no opportunity to pursue the matter in the House for three months. The feeling was that the row over the allegations—first hinted at in the Observer and taken up by a daily paper yesterday—will not go away until a definitive statement is forthcoming. Although Sir Harold was present at Westminster yesterday he did not take the opportunity to intervene in the debate to clear the air. The row started soon after 5 a.m. as the House was sitting on the Consolidated Fund Bill under which MPs raise a variety of taxes. Because of the Government's reluctance to make a statement, Tory MPs kept up the pressure on the subject until Mr. Callaghan eventually had to come to the House at 1.30 p.m. As a result of the prolonged wrangle and the long all-night sitting, which lasted for more than 24 hours, the House lost an entire day's business. Mr. Callaghan maintained that he was quite satisfied with the present security arrangements at No. 10 and thought there seemed to be very little hard fact in the bugging allegation.

Tarling's extradition is ordered on six charges

MR. DICK TARLING, former chairman of Haw Par Brothers International and director of Slater Walker Securities, was ordered by three judges in the High Court yesterday to be extradited to Singapore for trial on six charges relating to the affairs of the company and Melbourne Unit Trust. Mr. Tarling was cleared by the Queen's Bench Divisional Court on nine more serious charges concerning the operations of the Haw Par group and Spydar Securities. An order by the Metropolitan Chief Magistrate in January for his extradition on those charges was quashed. He had appealed to the Divisional Court against his extradition to face all 15 charges. He won his appeal in relation to the nine. Six extradition charges over the company accounts of Haw Par Brothers International in the Far East still face Mr. Tarling, although he was cleared yesterday of any dishonesty

Economic Diary

MONDAY—Export Credits Guaranteed Department scheme comes into effect to assist exporters. Banks begin making personal loans up to a limit of £1,500 at 8 per cent. Rate rises to those of TSB's 10m. customers of one year's standing. Mr. David Enslin, Cyprus Viceroy, U.S. Secretary of State, begins visit to Middle East. For pre-Geneva talks with Arab and Israeli leaders. London and Edinburgh clearing banks increase limitation on cheque guarantee cards from £30 to £50 within Great Britain and Ireland. National Giro raising limit on its guarantee card for customers to draw up to £50 at any of 21,000

Post Offices, instead of the previous £20 limit. Trustee Savings Banks begin making personal loans up to a limit of £1,500 at 8 per cent. Rate rises to those of TSB's 10m. customers of one year's standing. Mr. David Enslin, Cyprus Viceroy, U.S. Secretary of State, begins visit to Middle East. For pre-Geneva talks with Arab and Israeli leaders. London and Edinburgh clearing banks increase limitation on cheque guarantee cards from £30 to £50 within Great Britain and Ireland. National Giro raising limit on its guarantee card for customers to draw up to £50 at any of 21,000



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COMPANY NEWS + COMMENT

Tesco's sales running well over target

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

CASH SALES in Tesco have been running about 40 per cent up on the same 1976 period in the last three weeks, Mr. Ian MacLaurin, Tesco's managing director said after the company's annual meeting yesterday.

Immediately after the company dropped trading stamps in its stores on June 9 and adopted its new cut-price trading policy, sales had shown an even bigger increase, Mr. MacLaurin said. But they had now settled down at about 40 per cent above last July's level. This implies a volume gain of well over 20 per cent and is significantly ahead of the company's target.

As a result of this extra demand, Tesco is now negotiating for a new grocery warehouse in the Midlands to relieve the strains on the existing four depots which are currently leading to temporary out-of-stock positions in some branches on big selling lines.

Speaking at a packed meeting of shareholders, Mr. Leslie Porter, the company's chairman, said the early results of the new policy had been overwhelming. There was no doubt that what the company had done had been "absolutely correct."

Turnover, he said, had increased in all parts of the country by a figure "far in excess" of budgeted expectations. This had been the case even in those areas of the country where competition had been greatest.

But he said that the company had to cut its margins to a very low level. At this stage it was premature to accurately forecast anticipated profits for the current year.

If the performance in the first two months since dropping stamps was maintained, the company would have achieved its objective of broadening its trading base, increasing its share of the market and attracting new customers to provide a "solid foundation for growth in the 1980s," Mr. Porter said.

The sales increase is believed to have varied between different categories of merchandise. Sales of dry groceries have been particularly strong, while other categories, like tobacco have shown smaller increases.

Speaking to directors afterwards, it appeared that they were prepared to buy volume this year and to accept a reduction in net margins in an attempt to establish a strong sales base for the future.

As a result of the Preference share subscription arrangements. The James & Brydson Provident Fund will also have an option to subscribe at par for 33,334 Ordinary shares.

The shares of GRO Group soared 55p to 220p yesterday on the news that Low and Bonar, the packaging, engineering and textiles group, was in discussions which may lead to a bid.

At the current market price GHP, which is engaged in foundry work, mechanical and electrical engineering, is capitalised at £5.6m.

In the year to December 31, 1976, GHP announced virtually doubled pre-tax profits of £137m on sales of £1.7m.

Low and Bonar's share price was unchanged on the day at 167p.

Near £0.7m. expansion for Avana

AFTER AN ADVANCE from 227p to 237p at half-way, pre-tax profit of Avana Group, a large cake supplier to Marks and Spencer, improved from £1.01m. to £1.17m. for the 33 weeks to April 2, 1977. The directors state that reasonably stable trading conditions and a continuing emphasis on new product development enabled the group to maintain full benefit from the high level of capital expenditure undertaken over the past three years.

Turnover was up nearly a third from £18.02m. to £23.99m., with the major part of the rise coming from increased volume production. Towards the end of the year there were signs of significant increases in the price of some of the group's main raw materials. The directors, however, believe this trend seems to be levelling off and there is no reason to believe that the group will not be able to continue its progress in the current year.

Earnings per 5p share are shown ahead from 2.29p to 4.01p, and the dividend is stepped up from 0.75p to 0.97p with a net final of 0.32p.

33 weeks to 1976-77 1975-76

Group turnover	£23,990,473	£18,018,123
Profit before tax	1,170,385	1,010,283
U.K. tax	59,772	51,187
Net profit	1,110,613	959,096
Dividend	357,331	473,254
Preference dividends	1,739	1,739
Minority int.	10,108	61,753
Final	187,467	52,663
Group retained	1,644,244	94,949

The Board has considered plans for major capital expenditure projects at Ledbury to continue the aggressive marketing of its De Lora fruit juices and the intention to further pursue product development and production rationalisation. It is stated, "Satisfactory progress is being made in developing export sales and the overseas subsidiary has made a small contribution to profits in the brief period of its operation, members are told."

Increase for Law Debenture

REVENUE OF the Law Debenture Corporation for the first six months of 1977 advanced from £239,133 to £431,232 before tax of £171,630 against £142,753. Gross income rose ahead from £536,316 to £753,270.

The interim dividend is lifted from 1p to 1.5p net per 25p share to reduce disparity with the final. Last year's total dividend from pre-tax revenue of £611,117 from the valuation of investments including the full investment currency premium is shown as £14.46m. (£15.61m.), and net current assets after allowing for the interim dividend are £19.5m. (£20.8m.).

Net asset value per share is 118.6p (£9.7p), and assuming full conversion of Loan stock 115.7p (£9.2p).

The interim dividend is lifted from 1p to 1.5p net per 25p share to reduce disparity with the final. Last year's total dividend from pre-tax revenue of £611,117 from the valuation of investments including the full investment currency premium is shown as £14.46m. (£15.61m.), and net current assets after allowing for the interim dividend are £19.5m. (£20.8m.).

Anston steps up dividend

Property investors and developers Anston Holdings reports a profit of £151,100 for the year ended April 5, 1977, against £147,195.

Earnings are reduced from 2.19p to 1.8p per 25p share, but the net dividend is raised from 2.185p to 2.4019p with a final of 1.6519p.

1975-76 1976-77

Turnover	£75,244	£72,851
Profit before tax	35,148	27,255
U.K. tax	6,743	7,180
Attributable	68,754	62,311
Dividend	76,953	63,926

Watsham's ahead to £559,920

ON TURNOVER down by £1.43m. to £3.73m, taxable profits of Watsham's have advanced to £559,920 in the year to March 31, 1977, compared with £404,025. At half-way profits increased by £50,000 to £307,500.

Stated earnings per 25p share are up from 8.2p to 11.7p, and the net dividend is raised to 13.25p with a final of 2.1075p. Extraordinary credits were £1,003,450 (£8,550).

The company are manufacturers and suppliers of electrical and radio, television, industrial optical, pharmaceutical and medical products.

1975-76 1976-77

Turnover	£3,731,411	£5,162,784
Pre-tax profit	559,920	404,025
U.K. tax	108,228	117,450
Net profit	451,692	286,575
Extraord. credit	1,003,450	8,550
Attributable	1,455,142	295,125

D. F. Bevan expands to £211,739

FROM TURNOVER up from £4.11m. to £6.73m. in the year to March 31, 1977, metal merchants, etc., D. F. Bevan (Holdings) reports pre-tax profits ahead from £174,008 to £211,739. At half-way the profit advance was from £40,000 to £85,000.

Basic yearly earnings per 5p share are shown at 3.51p (4.76p) and fully diluted at 2.39p (3.79p). The dividend is stepped up from 1.1p to 1.21p net.

Tax for the year takes £107,612 (£58,610) and extra-ordinary debits £3,330 (£14,046).

2p from London Sumatra

THE TREASURY has confirmed that London Sumatra Plantations will not be subject to the current regulations on dividend controls, the company is raising its net payment for 1977 from 1.21p to 2p per 10p share. Earnings were up to 3.29p, against 3.01p.

Profit before tax for the year rose from £249,853 to £1,001,592. This effectively reflects higher investment income, etc., as an increase from Malaysian operations was offset by a downturn in Indonesia.

Optimism at Pitman

All in all there would be seen to be good prospects in the current year for Pitman doing as well as it has done in the year to 1976-77. Mr. Hugh de Beauchamp Lawson Johnston, reports that so far sales are going well, though in publishing at least it does not seem to be quite so bullish as they were last year.

In the year ended March 31, 1977, group pre-tax profits increased from £1,944m. to £2,122m. a turnover of £21,936m. against £18.6m.

The chairman explains that as in earlier years the performance

of the various divisions has been uneven. The outstanding performance has been that of the publishing division, where every single unit throughout the world made good profits.

The training side put in its usual sterling results, and a really excellent recovery has been made by Canada into six-figure profitability after the heavy incidence of interest payments.

A great disappointment this year has been the printing division where, on this occasion, even Pitman Press has been unable to compensate for a shortage of trading profitability in other units, though with Government grants and profit on sale of surplus assets the group was able in the end to show a favourable margin.

The process of cleaning up Book Centre—now known as the distribution division—has continued. The chairman says there is no short-cut to placing this division on a profitable basis, but with careful management and exercise of economy they were able to improve on their budget and to reduce the yearly loss to five figures for the first time for a number of years.

Meeting, 39-41 Parker Street, W.C., September 7 at 11 a.m.

RFD profit increase is 52%

ON TURNOVER ahead by £1.25m. to £15.97m, RFD Group reports taxable profit ahead by 52 per cent from £2.1m. to £3.2m. for the year ended March 31, 1977.

At half-way, when profits were ahead to £1.55m. against £0.94m., the directors said that they did not expect profits to grow in the second half to be as good as the first half but that turnover and profits for the full year should be well ahead of 1976-77.

Engineering, which, as forecast earlier, had a difficult year, all parts of the group traded satisfactorily with particularly good results from GQ Parachutes and RFD Military equipment and a strong recovery by the textile subsidiaries, the directors state.

At the end of the trading year the group had substantial net cash balances.

Trading so far in the current year is reasonably satisfactory, they add.

Stated earnings per 10p share are 11.32p (7.53p) and the dividend is lifted to 1.4504p (1.2868p) the maximum permitted, as forecast, with a net final of 0.8044p.

Dividend in sterling per share are shown as 51p (40p).

1975-76 1976-77

Turnover	£15,970,000	£14,720,000
Profit before tax	3,200,000	2,100,000
U.K. tax	1,000,000	600,000
Net profit	2,200,000	1,500,000
Dividend	1,450,400	1,286,800

Continuing the trend evident at half-time, RFD's specialist textile division provided the main contribution to full-year profits which have finished 52 per cent higher before tax. Following the end of the de-stocking which depressed 1976-77 profits, the contribution from specialist textiles has been trebled. As indicated at the half-way stage military software has made a fairly tough time last year due mainly to the uneven pattern of the Eastern contracts. Notwithstanding, the group's profits were still 25 per cent higher in the year despite a similar fall in sales. Given that three new Middle East contracts are now being negotiated this division should start moving forward again. The U.K. trading background has been generally dull throughout the year and shows little sign of changing in the near future but the group continues to push ahead with its exports and looks like hitting a new profit record in the current year, with cash resources now well in excess of the £1m. level the group is looking to acquire. The shares at 66p are currently yielding only 3.3 per cent, covered 7.9 times.

in the U.K. particularly in packaging, paper (where writing papers and stationery demand has picked up), and publishing, with benefits from retail sales being strong in well advanced areas. However, these trends will be offset to some extent by dull trends overseas, with the Canadian companies still in losses and demand in Australia and South Africa turning downwards. Given the normal seasonal highs against the first quarter, profits could turn out at around £20m., against £18.7m. last time but at about the same levels for last year's final quarter. For the year the price rise in the region of 30p to £100m., against £70m. last year.

Also expected next week are the interim results of Reotek and Vesper Therapeutics, both of which report on Wednesday.

ARRIVED (p)

Company	Last year	This year
Western Canada Investment Co.	2.9	4.9
Williamson Tea Holdings	1.0	4.9

REPORTS TO MEETINGS

First quarter growth for Letraset reported Mr. Nigel Bennett. Profits at the half-way stage were confidently expected to exceed last year.

However, in some areas of activity margins were under considerable pressure and orders showed a declining tendency, he said.

The following extracts are taken from chairman's reports to other meetings.

ELECTRONIC RENTALS GROUP—Mr. M. A. Fry said profits for the first two months were at a higher level than last year and first quarter figures showed the same trend. With the exception of retail, all companies showed an improvement. The group's revenue, he stressed, would depend upon the revival of the fortunes of the pressing division and the ability to convert the contributed sales turnover of the recently acquired Miller Group into a reasonable margin of profit.

JAMES FINLAY—With order books in a good state, Sir Colin Campbell said he would express reasonable qualified optimism regarding trading in the current year. Figures were ahead of the corresponding period of last year.



Mr. Leslie Porter, chairman of Tesco.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding payment	Total for year	Total last year
Anston Holdings	1.63	Oct. 4	1.43	2.4	2.18
Avana Group	0.53	Oct. 4	0.45	0.98	0.75
D. F. Bevan	1.21	1.1	1.1	1.21	1.1
British Benzol	0.26	Sept. 17	0.74	1.19	1.07
British Dredging	Nil	Oct. 4	0.3	0.3	0.3
J. Dyson	1.68	Oct. 1	1.83	3.23	2.97
Forster	1.88	Oct. 10	1.69	3.74	3.38
Glenlivet Dist.	2.09	Dec. 1	1.87	3.97	3.57
Hardy and Co.	0.2	1.66	0.2	2.82	2.82
LAW Debenture Corp. Int.	11.5	Sept. 21	1.21	2.2	1.21
Eda Sumatra Plant.	2.1	Sept. 7	1.1	1.1	1.1
Mining Supplies	0.96	Sept. 17	0.94	1.43	1.29
Wm. Somerville	2	0.5	2.5	1	1
Stavert Zigmola	3.9	Oct. 10	3.84	3.9	3.64
Vantage Secs.	1.15	Oct. 4	0.4	0.4	0.4
Watsham's	2.1	Oct. 1	1.93	3.61	3.25

Dividends shown pence per share net except where otherwise stated.

* Equipment after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Third interim 0.03p to be paid for 1978 on ACT reduction.

Mining Supplies at record £1.7m.

ON TURNOVER ahead from £1.18m. to £1.32m. Mining Supplies announces record pre-tax profits for the year to April 30, 1977, of £1,755,243 compared with £1,402,472 for the previous 53 weeks.

Profits at mid-way showed a downturn from £885,000 to £507,000, which the directors stated was due primarily to a reduction in orders from the Coal Board in the first quarter.

Earnings per 10p share are shown at 7.0p (5.7p). The 11p net final dividend compares with last year's 6p. The company does not pay interim dividends. It is stated that an application was made in the Treasury for an increase to 1.5p but this was limited in accordance with current regulations.

1975-76 1976-77

Turnover	£1,325,381	£1,581,678
Pre-tax profit	1,755,243	1,402,472
U.K. tax	83,142	79,922
Net profit	1,672,101	1,322,550
Dividend	123,730	112,300

Mr. A. Snipe, the chairman, says that the growth being achieved by the group is the result of planned investment in capital equipment, factory space and land and also heavy investment in research and development which will give the opportunity for continuing growth, especially in the coal mining industry.

The company is now getting firm enquiries and orders for its equipment from overseas customers and looks forward to this demand increasing as time goes on. The chairman believes that the company's newly introduced mining conveyors are superior to any available in the world for long working-to-day, and anticipates being the lead for an indefinite period.

Profit rise for Plastic Constructions

Current year profits of Plastic Constructions are expected to exceed £504,828 reported for 1976-77.

In the half-year ended March

First quarter growth for Letraset

First quarter profits of Letraset showed a "reasonably healthy" increase, Mr. W. E. Luke, told the annual meeting.

However, in some areas of activity margins were under considerable pressure and orders showed a declining tendency, he said.

The following extracts are taken from chairman's reports to other meetings.

ELECTRONIC RENTALS GROUP—Mr. M. A. Fry said profits for the first two months were at a higher level than last year and first quarter figures showed the same trend. With the exception of retail, all companies showed an improvement. The group's revenue, he stressed, would depend upon the revival of the fortunes of the pressing division and the ability to convert the contributed sales turnover of the recently acquired Miller Group into a reasonable margin of profit.

JAMES FINLAY—With order books in a good state, Sir Colin Campbell said he would express reasonable qualified optimism regarding trading in the current year. Figures were ahead of the corresponding period of last year.

Over £1m. loss at British Dredging

AFTER EXCEPTIONAL DEBITS of £231,006, compared with credits of £72,000, British Dredging Company turned in a pre-tax loss of £1,609,000 for 1976, against a loss of £1,020,000. The group reported a profit of £84,025 at half-way, after credits of £295,477 on disposal of assets, against a loss of £217,611.

There is no final dividend, leaving the interim 0.3p net per 25p share to stand as the dividend. No dividends were paid in 1975. The loss per share is 6.53p, against 1.9p.

The exceptional items comprise a provision in respect of the group's interest in certain overseas and U.K. subsidiaries and associates of £779,000 settlement of claim in respect of late delivery of ships, credit £24,000, and profit on sale of assets £274,000.

In view of the continued adverse trading conditions, which have prevailed throughout the year, particularly overseas, which may necessitate further support by the parent company, the directors consider it prudent to provide against any reduction which may arise in the value of the group's assets to stand as the dividend. No subsidiaries and associated companies, they state.

The directors state that the past year has been a difficult one for the company because of the need to all companies engaged in the construction industry. The industry has been severely restricted throughout the year, and this has resulted in increased competition and tighter margins, they add. While costs have continued to rise, for reasons of keen competition it has not been possible to recover these costs in increased selling prices.

The extraordinary credit was a profit on the sale of freehold land, it is stated.

Tax included a group credit of £88,000. Losses for tax purposes in foreign subsidiaries not available for group relief totalled £83,000.

No adjustment has been made to deferred tax relating to the provision of £779,000 in respect of the group's interest in certain overseas and U.K. subsidiaries and associates.

In the second half some export sales continued to increase and improvements in margins are being maintained.

Stated earnings per 10p share are increased from 1.35p to 1.89p—the total for 1975-76 was 3.718p.

Earnings per 10p share are shown at 7.0p (5.7p). The 11p net final dividend compares with last year's 6p. The company does not pay interim dividends. It is stated that an application was made in the Treasury for an increase to 1.5p but this was limited in accordance with current regulations.

1975-76 1976-77

Turnover	£1,325,381	£1,581,678
Pre-tax profit	1,755,243	1,402,472
U.K. tax	83,142	79,922
Net profit	1,672,101	1,322,550
Dividend	123,730	112,300

Peak £2.3m. from J. & J. Dyson

Refractory materials and fire-resisting goods manufacturer, J. & J. Dyson, achieved record taxable profits for the year ended March 31, 1977, of £2.3m., compared with £1.9m. for 1976, against £1.38m. at half-way.

In February the directors fore-

UNIT TRUSTS

investors are being offered by the Schlesinger Extra Inco Trust, yielding an estimated 11.2 per cent gross, income being paid quarterly. The managers have invested only in high yielding equities and have achieved greater interest investments with the aim of going for income and capital growth prospects, rather than the highest immediate yield. The minimum investment is £500, accumulation units are available and there is a share exchange scheme.

British Benzol at £1.4m.

TAXABLE PROFITS of coke and smokeless fuel manufacturers, British Benzol Carbonizing have advanced from £960,353 to £1,411,611 in the year to March 31, 1977, on external sales of £15m. against £11,474m.

At half-way when profits were up from £261,000 to £381,000, the directors said that there seemed every likelihood of a satisfactory profit for the full year. In the year to March 31, 1975, the company reported £1,550m.

Stated earnings per 10p share are 7.1p (6.6p), and the net final dividend is 0.9648p making a 1.1948p (1.07p) total.

ISSUE NEWS

Arrangements have been completed for the issue of £800m. of 9 1/2 per cent Treasury Stock 1981 has been raised compared at 1974 per cent. The stock is £1,150.3m. in the same payable in full on application, and 1978.

Company issues fall in 1977. In June to £411m. companies came to the market to raise "new money" in the form of new issues. The first issue was £100m. by Anglo-Thai on Tuesday, August 2 first time, London and application lists will open on Thursday, August 4. The last short-dated fixed-rate stock to be operated as a "tap" was 94 per cent Exchange Rate Stock (£5.2m.) and McKechnie Ltd (£4.5m.). Of the 18 issues, 12 were rights totaling £27.5m.

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that the amount of 13 per cent Redeemable "new money" raised in the U.K. 1955, started at £1,100m. in July was £711m., at 130 per cent, and the corresponding period of last year.

SANDWELL 13% Denatins in the Met. Borough of Sandwell's 23 per cent Redeemable "new money" raised in the U.K. 1955, started at £1,100m. in July was £711m., at 130 per cent, and the corresponding period of last year.

Forminster on budget with £1.1m.

A SECOND-HALF profit of £530,000, against £437,700, enabled Forminster clothing manufacturers, Forminster, to achieve record pre-tax profits for the year to April 30, 1977, of £1,083,952 compared with £791,270, and are in line with the directors' target for 1977.

Turnover for the year was ahead from £7.71m. to £10.29m.

Stated earnings per 10p share are 21.01p against 14.63p. A final dividend of 1.38285p compared with an interim 1.6943p after a one-for-ten scrip issue makes a total of 3.14565p for 1976-77 (equivalent 3.3784p).

Directors have waived dividends on 1,286,561 Ordinary shares. A scrip issue was announced on May 27, 1977, of £1.10 per cent, cumulative Preference shares in the ratio of three Preference shares for every seven Ordinary shares for the year ended April 30, 1977, of £267,218 (£258,918 net profit) emerged as £378,714 (£361,337).

Lowe & Brydson placing

Mr. Frank Sanderson's Lowe and Brydson printing and householding group is raising its dividend from 2.6p net to 7.7p for 1977. It is proposing to place 200,000 shares at 70p, the subscription for ICPC for 150,000 New Redeemable Preference shares and the capitalisation of £50,000 of a short-term loan by James E. Brydson Provident Fund for an amount of the Preference shares.

Results due next week

There are only a handful of large companies reporting their results next week, when the holiday season begins. The list is headed by Reed International which puts out its first quarter figures on Thursday. On the same day Hoover produces its interim report, while preliminary figures are expected from Letraset on Tuesday and Dixons Photographic on Wednesday.

At the half-way stage Letraset increased its profits by 80 per cent, on a volume rise of about 7 per cent. After taking exchange rates ruling at the date of reporting, the end of the first six months, currency profits amounted to £1.1. This could be repeated in the second half and given for a continuation of first volume increases, profits should

Company	Announcement date	Low	High	This year	Last year
Acorn Securities	Thursday	0.63	0.4	0.4	0.4
Cooper Industries	Wednesday	2.97	2.6	2.6	2.6
James Austin Steel Holdings	Wednesday	2.6	2.4	2.4	2.4
Peter Black Holdings	Wednesday	2.9	2.13	2.13	

AND DEALS

Canadian sale nets Ambros £11.8m.

1.85m. (£11.8m.), Ham-sold its 45 per cent. in Hambro Canada to Canadian Oils, a quoted oil and gas company...

Securities International: Hamill Securities holds 368,237 Ordinary Shares (8.49 per cent.)...

Cowie offer for Colmore lapses

The offer by T. Cowie for Colmore Investments has lapsed. Cowie now holds or had accepted for a total of 1,914,565 Ordinary shares in Colmore—47.2 per cent. of the capital...

JOHN STEPHEN

The offer by Raybeck for the capital of John Stephen of London has become unconditional as to acceptances and will remain open...

WICK SAYS

Directors of Purbeck Group meeting early next week will discuss the increased offer of Holdings. Meanwhile, they are recommended to their action.

HALMA

Blue Boar (Channel Islands) has acquired a 16.5 per cent. stake in HALMA, the fire control products and specialised engineering company.

GLYNWED

GLYNWED has acquired Fotherby Willis Electronics, FW Components and Fotherby Willis (Exports).

STAKES

Kristin Holdings: Minor stake has acquired 2,500 ordinary shares of 10p each, giving total holding 32,254 (2.5 per cent.)...

ASSOCIATES DEALS

Laird and Cruickshank has sold 300,000 ordinary shares for a discretionary investment client...

TS AND ACCOUNTS IN BRIEF

BEVER DISTILLED: Profit for year to March 31, 1977, £223,000. Interest and dividends received, £12,000. Estimated ordinary dividends, £12,000...

SYNOPSIS: Results for year to March 31, 1977, already known. Fixed assets, £1,234,000. Net assets, £1,234,000...

DEVELOPMENT AND CORPORATIONS: Results for year to March 31, 1977, already known. Fixed assets, £1,234,000. Net assets, £1,234,000...

Value of net assets: £1,234,000. Estimated ordinary dividends, £12,000. Estimated preference dividends, £12,000...

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

After five weeks of talks, Fisons is making an agreed £23.9m. bid for A. Gallenkamp, the largest specialist supplier of scientific equipment in Europe. The terms, three Fisons shares and 500p in cash for every four Gallenkamp shares...

L. Lipton, the fork-lift truck specialists, has agreed terms for a take-over of the company by Lex Service Group. Lipton shareholders are being offered 107 1/2p in cash per share...

Polysar, a subsidiary of Canada Development Corporation, is making an agreed bid for Mono Containers of 30p cash for each Mono Ordinary share and 52.5p in cash for each Preference share...

In a final attempt to take-over Purbeck Group, Singin is now offering four New 12p convertible Preference shares plus £3 nominal of 15p convertible Preference shares...

Walter Duncan and Goodricke has purchased 9,073 Ordinary shares at 170p and 2,824 Preferred shares at 100p in Isa Sheel Tea, bringing its total holdings to 53.59 per cent. of the Ordinary and 38.08 per cent. of the Preferred...

The troubled history of James Warren is likely to end in a merger with another company. Mr. Nelmes-Crocker, the chairman and managing director, speaking at the AGM revealed that negotiations are currently under way with a variety of unnamed parties.

Following market speculation, the Board of Assam Investments announced that it has received an approach from an unnamed party, expressing its desire to open negotiations with a view to making a take-over bid.

Table with columns: Company bid for, Value of bid per share, Market price, Price bid (£m's), Bidder, Final Acct'g date. Includes entries for Beverbrook House, Cable Trust, Dolan Packaging, etc.

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Includes entries for AAI, Arlington Motor, Boulton & Paul, etc.

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Includes entries for Albion, Allied Textile, Barclay's Bank, etc.

Offers for sale, placings and introductions

Barclay Hill Group: Placing 18 per cent. of equity at 105p per share on over-the-counter market.

Metropolitan Borough of Sandwell: Issuing £20m. of 13p per cent. Redeemable Stock 1985 at 97 1/2 per cent.

Rights Issues: Powell Duffry: One-for-five at 135p each. Fitch Lovell: One-for-four at 45p each.

Table with columns: Company bid for, Value of bid per share, Market price, Price bid (£m's), Bidder, Final Acct'g date. Includes entries for Adams Foods, Assam Cont. Tea, etc.

Geo. Bassett sees more growth

So far this year, both sales and profits of Geo. Bassett Holdings are ahead of last year's. The group is planning for a continuation of last year's growth, he adds.

Pre-tax profit for the year to end-March, 1977, reached a record £3.05m, against £2.43m, and the dividend total is stepped up from £1.24p to £1.73p net per 25p share (on reports on June 29).

Earlier today, the Italian National Commission on Companies and the Bourse, CONSOB, suspended dealings in Unidal shares in reaction to the announcement of the company's liquidation.

The main cause for the downturn was the financing, commercial and general acceptance, which reported a loss of \$48.4m. for the year—an improvement on the \$17m. deficit at the halfway mark.

Improvement for Textured Jersey: Although profits from Textured Jersey rose £36,000 to £124,000 in the year ended April 30, 1977, the year's performance was not as good as that of the interim statement.

Small CBC profit: THE COMMERCIAL BANKING Company of Sydney, one of Australia's major trading banks, earned only \$619,000 in 1976-77 because of difficulties—mainly in property investments—experienced by its finance company arm.

Star Wars boosts Fox Film: THE SUCCESS OF Twentieth Century-Fox Film Corporation's space adventure Star Wars has lifted the movie company's profits in the second quarter to \$5.9m, compared with a loss of \$988,000 in the second quarter of 1976.

Dividend Amendments: The following companies have amended their dividends consequent upon the reduction in income tax to 34 per cent. Belding: Final dividend will be 1.362551p payable August 22 and an additional 0.0214p in January.

Preliminary Results 1977: Record Profits and Increased dividend. Sales—£447m, a rise of 24%. Profits—£11.3m, increased by 31% (before interest and exceptionals).

Dividend—Final 2.51859p net. Total 3.66259p net (increased by 10%). Earnings per share—6.97p (last year 6.06p).

AGM—The Connaught Rooms, WC2, 29th September 1977, 12 noon. For further information, please contact the Secretary at 1, West Smithfield, London EC1A 9LA. Telephone: 01-248 6431.

INFL. FINANCIAL AND COMPANY NEWS

Unidal liquidation is recommended by Board

Milan, the ailing group decided to recommend the calling off of an envisaged capital increase to offset losses.

Earlier today, the Italian National Commission on Companies and the Bourse, CONSOB, suspended dealings in Unidal shares in reaction to the announcement of the company's liquidation.

The main cause for the downturn was the financing, commercial and general acceptance, which reported a loss of \$48.4m. for the year—an improvement on the \$17m. deficit at the halfway mark.

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Credit Suisse sees maintained dividend

CREDIT Suisse's first half gross profit rose considerably above last year's level and the bank expects the figures for the whole of 1977 to be sufficient to allow payment of a maintained dividend after making provision for losses at its Chiasso branch.

This is made clear in a statement accompanying the bank's balance sheet at the end of the second quarter of 1977, reports Reuter. This shows a balance sheet total of Sw.Frs.43,040m, compared to Sw.Frs.42,290m at the end of March and Sw.Frs.41,660m at the end of December 1976.

During the second quarter loans outstanding rose to a record Sw.Frs.20,700m. Sw.Frs.18,380m. at end-March and Sw.Frs.17,880m. at end-December last year. This partly reflected the demand for credit at home and abroad.

Other sums have been blocked for this purpose in trustee accounts or in securities deposits which do not appear in the balance-sheet, the bank added.

The bank said it increased its cash position to Sw.Frs.2,640m, which is more than twice as high as that required by law, in order to cover any claims by the Swiss tax and currency authorities against Chiasso branch customers who invested with Texon.

The bank had earlier said it was withdrawing 25 per cent. of trustee deposits placed in Texon so as to be able to pay such claims.

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SPECIAL OFFER TO INVESTORS WITH SHARES WORTH £2,500 OR MORE

Send for details of M&G's Share Exchange Plan Special Offer now. The results indicate that over the long term—over seven years—M&G has outstanding financial news.

To: M&G Group, Three Quays, Tower Hill, London EC3R 6BQ. Telephone: 01-626 4558. Please send me details of your Share Exchange Plan Special Offer.

FOUNDER'S OF BRITAIN'S UNIT TRUSTS. M&G is the group that investors can least afford to ignore. SUNDAY TELEGRAPH 14.7.77

itch over limited rights issue One for four Subscription price—45p Acceptances—by 3pm, 19th August 1977

Pre-Results 1977 Record Profits and Increased dividend Sales—£447m, a rise of 24% Profits—£11.3m, increased by 31% (before interest and exceptionals) Dividend—Final 2.51859p net Total 3.66259p net (increased by 10%) Earnings per share—6.97p (last year 6.06p) AGM—The Connaught Rooms, WC2, 29th September 1977, 12 noon. For further information, please contact the Secretary at 1, West Smithfield, London EC1A 9LA. Telephone: 01-248 6431.

McDonnell Douglas up MBB and Fokker-VFW talking. THE TWO partners in the Fokker-VFW group will discuss possible forms of co-operation with Messerschmitt-Boelkow Blohm GmbH, a spokesman for Dutch partner, Fokker, said yesterday. The German Government will also be involved in the talks and the Dutch Government may join in at a later stage, he added.

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WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Dow steady in mixed trading

BY OUR WALL STREET CORRESPONDENT

STOCK PRICES closed moderately steady in mixed trading on Wall Street today.

Analysts said that the market had responded with an initial downturn, later recovered, to rising short-term interest rates and the Federal Reserve Board's slight tightening move.

The Dow Jones Industrial Index, down more than six points to the

ahead of winners better than

Steel issues recovered following selling pressure which started on Wednesday in response to lower earnings and Bethlehem Steel's dividend cut.

Chrysler Corp. fell \$1 to \$151 after posting lower earnings late yesterday.

Prices on the American Stock Exchange closed lower in moderate trading.

Volume fell to 2.47m. shares compared with 2.57m. shares yesterday.

OTHER MARKETS

Canada steady

Canadian stock markets recovered to close steady to mixed in moderate trading.

OSLO - Mixed in quiet trade.

COPENHAGEN - Mixed. Dealings were moderate.

STOCKHOLM - Firm.

PARIS - The index again hit a new low - 78.39 - with a further round of heavy selling.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock, Traded, Change, Price. Lists active stocks like Rover Group, British Steel, etc.

morning, closed up 0.08 at 890.07 while the NYSE index rose 0.01 to 54.12.

Big Board volume came to about 20m. shares, with losers

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index data for July 1977, including high, low, and closing prices.

* Basis of index changed from July 1.

Ind. div. yield %

Table showing industrial dividend yield percentages for various periods.

STANDARD AND POORS

Table showing Standard and Poors index data for July 1977.

* Industrial 108.27, Composite 89.21

Table showing Standard and Poors index data for July 1977.

Ind. div. yield %

Table showing industrial dividend yield percentages for various periods.

Loop Govt. Bond yield

Table showing government bond yields for various periods.

F.T. CROSSWORD PUZZLE No. 3444

A price of £3 will be given to each of the senders of the first three correct solutions...

Name

Address

Crossword puzzle grid with clues for Across and Down.

SOLUTION TO PUZZLE No. 3443

Solution to puzzle No. 3443, including crossword grid and answers.

SOLUTION AND WINNERS OF PUZZLE No. 3438

Solution and winners of puzzle No. 3438, including crossword grid and names.

NEW YORK, July 29.

which prevailed in slow trading, caused additional depression.

VIENNA - Closed generally steady.

HONG KONG - Closed fractionally higher in slow and dull trading.

TOKYO - Share prices recovered sharply following the easing of margin trading controls.

JOHANNESBURG - Gold shares closed weaker on overseas and local selling pressure.

Financial Minings were quiet and generally unchanged, although easier in places.

AUSTRALIA - Closed mixed in moderate trading.

BHP rose, Pancontinental was steady.

Consolidated Gold Fields eased.

Other markets

Y. S. E. ALL COMMON

Table showing Y. S. E. All Common index data for July 1977.

MONTEREAL

Table showing Montreal stock index data for July 1977.

TORONTO

Table showing Toronto stock index data for July 1977.

JOHANNESBURG

Table showing Johannesburg stock index data for July 1977.

Other markets

Table showing other market data for July 1977.

Indices and base rates

Table showing indices and base rates for July 1977.

RACING BY DOMINIC WIGAN

International field for Nassau Stakes

The PRESENCE of the French Queen's Dunfermline in the trained Ranimer and Ireland's Epsom Oaks.

GOODWOOD 1.45 - Tumbledownwind* 2.15 - Marjolin 2.20 - Foot's Mate 2.25 - Western Star 3.20 - Quick Retort 3.50 - Danish King 4.20 - Naxos King 1.30 - Felix Witness 3.00 - Sexton Blake 3.30 - Vaguelly 2.15 - Montclair*

First. The first-named, one of two Seven Barrows fillies in the line-up (Peter Walwyn is also represented by Pas De Prodiges) has already won two to-day's 11-mile course and distance.

Two months ago, Western Star put up a smart display when defeating Lucant by two lengths in the five-runner Lapse Stakes.

Since landing the Lapse Stakes, Western Star has finished a respectable fifth of 13 behind the

STOCKHOLM July 29

BRUSSELS/LUXEMBOURG July 29

SWITZERLAND July 29

MILAN July 29

OSLO July 29

OVERSEAS SHARE INFORMATION

Large table of overseas share information including New York, London, Amsterdam, Johannesburg, etc. with columns for stock names, prices, and changes.

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

ADVERTISEMENTS/Rev bid for

Transatlantic air fare battle heats up

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE TRANSATLANTIC air fare battle is expected to intensify when Pan American World Airways, in a bid to compete with the Laker Skytrain, announced plans for a £149 return fare, London-New York, from September 15.

Support grows for Hitachi factory

By David Freud, Industrial Staff

THE NORTH of England council has added its support to warnings that thousands of potential jobs would be lost if the Government refused to allow Hitachi, the Japanese company, to manufacture TV sets in the North East town of Washington.

GRUNWICK WINS APPEAL AGAINST UNION RECOGNITION

THE RECOMMENDATION by the Advisory Conciliation and Arbitration Service that the Association of Professional, Executive, Clerical and Computer Staff should be recognised as the official union of Grunwick Process Laboratories was invalid, the Court of Appeal held yesterday.

Lord Denning said that ACAS's "fatal mistake" was to send the questionnaire only to the one-third of Grunwick employees who were members of APEX and whose views were pre-determined.

First Viking Property Trusts. Offer 37.6 BID 35.7 YIELD 9.0% OFFER 101.0 BID 96.0 YIELD 4.1%

Inquiry urged into Belvoir mine plan. BY ARTHUR SMITH, MIDLANDS CORRESPONDENT. A CALL for a widening of public inquiry into National Coal Board proposals to mine the Belvoir coalfield in the north east of Leicestershire.

Few package holidays available. THERE IS a growing shortage of package holidays because of a sudden rush in bookings, the Association of British Travel Agents said yesterday.

Not impressed. Unlike Lord Widgery he was not impressed, said Lord Denning, by ACAS's argument that obstruction and delay by Grunwick's managing director, Mr. George Ward, justified the decision to break off negotiations with him.

COMMODITIES/Review of the week

WORLDWIDE bid for sugar pact agreed. COMMODITIES STAFF report is to be made International Sugar Agreement. A negotiating conference held in Geneva...

MARKET REPORTS

BASE METALS. COPPER—Lower on the London Metal Exchange, the price of copper fell 1.5p to 272.50...

GRAINS

WHEAT. Yesterday's prices for wheat were 79.50 for the 1977-78 crop, down 0.50 from the previous day...

COCOA

COCOA. Yesterday's prices for cocoa were 2,100 for the 1977-78 crop, down 20 from the previous day...

SUGAR

SUGAR. The market opened around overnight levels but persistent buying developed, possibly associated with the arrival of the 1977-78 crop...

U.S. Markets

NEW YORK, July 29. SUGAR closed firm on Commission House bid with rice, cocoa finished limited...

PRICE CHANGES table with columns for Commodity, Unit, 1977 High, 1977 Low, 1976 High, 1976 Low.

MARKET REPORTS table with columns for Commodity, Price, Change, and Remarks.

GRAINS table with columns for Commodity, Price, Change, and Remarks.

COCOA table with columns for Commodity, Price, Change, and Remarks.

SUGAR table with columns for Commodity, Price, Change, and Remarks.

U.S. Markets table with columns for Commodity, Price, Change, and Remarks.

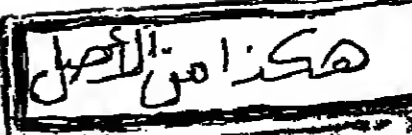


Table of financial data including company names, share prices, and market indicators.

Table of financial data, possibly related to the previous table, listing various entities and their values.

Table of financial data, continuing the list of companies and their market performance.

Table of financial data, providing further details on market activity and company valuations.

Table of financial data, including various market metrics and company-specific information.

Table of financial data, detailing market trends and individual company performance.

Table of financial data, showing market movements and company financials.

Table of financial data, providing a comprehensive overview of market conditions.

SPECIAL LIST: JULY 28 (NU) JULY 27 (NU) JULY 26 (2) JULY 25 (3) RULE 163 (1) (c) Bargains marked under Rule 163 (1) (c) in securities for which quotation has not been granted and which are not recorded in the Official List.

Table of financial data, likely a continuation of the Special List or related market data.

Table of financial data, including market rates and company information.

MONEY + EXCHANGES

Fall in bill rate. The Treasury bill rate fell by 0.125 per cent to 7.8885 per cent at yesterday's closing.

Table showing exchange rates for various currencies, including Sterling, Deutsche Mark, and others.

AUTHORITY BOND TABLE

Table listing authority bonds with columns for interest rate, term, and other details.

BUILDING SOCIETY RATES

Table showing building society rates for various deposit types and terms.

EXCHANGES AND BULLION

The U.S. dollar continued its recent firmer trend in the foreign exchange market yesterday.

FOREIGN EXCHANGES

Table of foreign exchange rates for major currencies.

OTHER MARKETS

Table of other market rates, including interest rates and commodity prices.

EURO-CURRENCY INTEREST RATES

Table of euro-currency interest rates for various maturities.

EXCHANGE CROSS-RATES

Table of exchange cross-rates between different currencies.

CURRENCY RATES

Table of currency rates for various international currencies.

U.K. CONVERTIBLE STOCKS 29/7/77

Table of U.K. convertible stocks with columns for name, price, and terms.

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Table of U.K. convertible stocks with columns for name, price, and terms.

STOCK EXCHANGE REPORT

Quiet markets dip and rally to end with little change Index unaltered at 440.2 after 437.8—Breweries rally late

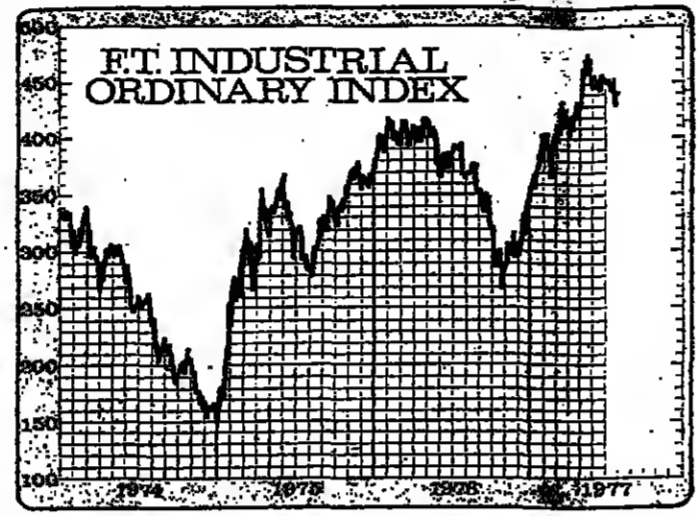
Account Dealing Dates... *First Declared Last Account Dealing Dates...

New short tap

Following the two-day rally which followed optimism generated by sterling's rise on its loosened ties with the U.S. dollar, stock markets yesterday turned easier from the start and picked up in extremely quiet trading to end virtually unchanged on balance...

The announcement of a new short tap, £300m. Treasury 9 1/2 per cent, 1981, came as no surprise to the City and was well received, with the terms much in line with those in its immediate vicinity...

77p, but Electronic Rentals managed to harden 2 1/2p following the annual meeting. The leaders were quiet and little changed with GEC finishing unaltered at 202p...



bridge improved a penny more to 31p after further consideration of the dividend-busting rights issue. Thursday's disclosure that from Thomas Bortwick and Sons is imminent caused a speculative flurry in Matthews Holdings which closed 5 to the good at 52p...

Debenhams firm - After the previous day's display of strength, the Store leaders held firm with Debenhams notable for an improvement of 3 to 77p following an interim recommendation...

ected and moved only narrowly with closing price changes limited to one or two pence either way. The leaders tended a shade harder, however, Land Securities Holdings on 3 to 179p...

South African Gold shares tended to lose ground in quiet trading reflecting the further 25 cents fall in the bullion price to £148 3/4 per ounce...

Interest in Teas subsided and overnight levels flattened at 102p. The previous day's advance of 1/2 which followed the revised bid terms from Singlo, the latter closed fractionally cheaper at 22 1/2p...

Tin shares gained ground for the fifth consecutive trading day following the further rise in the metal price in both the Penang market and on the London Metal Exchange...

FINANCIAL TIMES STOCK INDEX

Table showing stock index values for various categories like Government Securities, Fixed Interest, Industrial Ordinary, etc., for July 29 and 30, 1977.

HIGHS AND LOWS table showing price ranges for various stock categories like Govt. Sec., Fixed Int., Ind. Ord., and Gold Mines.

ON THE WEEK table showing stock price changes and denominated values for various companies like Shell Transport, Barts Bank, etc.

ACTIVE STOCKS YESTERDAY table showing price changes for various stocks like ICI, Barts Bank, G.P.H. Group, etc.

MONTHLY AVERAGES OF STOCK INDICES table showing average values for various stock indices from July to June.

RISES AND FALLS

Table showing the number of stocks that rose or fell in price yesterday.

NEW HIGHS AND LOWS FOR 1977

Table listing new high and low prices for various securities in 1977.

OPTIONS TRADED

Table listing trading dates and settlement dates for various options.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

RECENT ISSUES

Table listing recent issues in the equities market, including company names and prices.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with their respective prices and yields.

"RIGHTS" OFFERS

Table listing rights offers for various companies.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Act...

Large table containing FT-Actuaries Share Indices, including Equity Groups, Sub-sections, and Fixed Interest Price Indices.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective details.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Eda.) Ltd., Keyserling Mgmt. Jersey Ltd., and others.

APOLLO Edited by Denis Sutton. World's leading magazine of Arts and Antiques. Includes details about the magazine, subscription information, and an advertisement for a conference/seminar.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., Equi & Law Life Ass. Co. Ltd., and others.

Financial Times Cinema. All enquiries to: E. J. Dorner, Cinema Manager, Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY. Tel: 01-248 8000 (ext. 670).

CLAYE INVESTMENTS LIMITED. 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-253-1101. Includes details about investment services and Coral Index.

INSURANCE BASE RATES. Property Growth 10%, Cannon Assurance 5%. Includes details about insurance rates.

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INDUSTRIALS - Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover, Rover, Rover, etc. with columns for stock price, high, low, and volume.

PROPERTY - Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TRUSTS - Continued

Table of trust stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SHIPPING

Table of shipping stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

PROPERTY

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TOBACCO

Table of tobacco stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

FAR WEST

Table of far west stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

INSURANCE

Table of insurance stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SUMITOMO HEAVY INDUSTRIES, LTD. For ocean development, systems engineering, and environment protection.

MINES - Continued CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

TEAS

MINES

REGIONAL MARKETS

OPTIONS

DIAMOND AND PLATINUM

FINANCE

DIAMOND AND PLATINUM

A selection of Options traded is given on the London Stock Exchange Report page

